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

Refreshing & renewing

ANNUAL REPORT 年報 2024

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Corporate Profile

Water Oasis Group Limited (the "Company" or "Water Oasis", together with its subsidiaries, collectively the "Group") is a leading beauty services provider and beauty product retailer in Hong Kong. Founded in 1998 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in 2002, from its beginnings the Group has been one of Hong Kong's most innovative companies within its industry, and has been responsible for numerous "firsts". Coupling a clear vision with a constant impetus for development and transformation, the Group has expanded over the years into an esteemed provider of beauty services while continuing to hold a strong product portfolio of self-owned and licensed brands. In June 2021, it acquired the beauty service and product portfolios of the Millistrong Group, further expanding its presence and market share in the Hong Kong beauty industry.

OASIS PORTFOLIO

The Group's core beauty services, linked under the "Oasis" brand name, together make up a synergistic portfolio of beauty and related wellness services. The various Oasis brand segments deliver a comprehensive all-round offering of beauty services and products that give the Oasis range a strong and unique competitive advantage in the market. The Oasis range appeals to almost all significant consumer sectors, including high-end, mid-range and mass market customers, both male and female. It offers a full selection of general, specialist and medical beauty services.

As at 30 September 2024, the Group had 15 Oasis Beauty centres in Hong Kong, and a further 3 Oasis Beauty centres in Beijing. These attractively presented centres serve middle-class customers looking for a mix of high quality skincare products and advanced beauty equipment, with treatments administered by professional beauticians. In addition, 2 Oasis Homme centres in Hong Kong deliver high-end one-stop facial and body treatments for men.

Meanwhile, the Group's 3 Oasis Spa centres provide outstanding beauty service and slimming experiences for high-end customers, offering advanced beauty equipment and treatments in a luxuriously soothing environment. Each is equipped with world-class beauty machines, and staffed by highly trained professional beauticians.

The Group's 9 Oasis Medical centres offer state-of-the-art medical aesthetic treatments under the careful oversight of full-time registered medical doctors and professional therapists. The centres are equipped with the latest advanced equipment, and provide treatments for a wide range of skin issues.

In Macau, the Group maintains 1 Oasis Beauty centre, which sell Eurobeauté brand products as well as offering beauty treatment services.

The Group also has 4 Oasis Hair Spas in Hong Kong, each operating independently within Oasis Beauty centres and offering advanced hair growth and scalp treatment options for men and women. In 2022, it opened its first Oasis Dental outlet, providing convenient dental treatments and cosmetic dental services to customers. Other related services operating under the Oasis brand are Oasis Mom, offering treatments tailored to new mothers and mothers-to-be, and Oasis Florist.

GLYCEL

Alongside its Oasis brands is the Group's self-owned Glycel brand, a reputable skincare brand recognised for its pioneering cell rejuvenation technology. Glycel adds a more international edge to the Group's beauty offerings, with cellular therapy and anti-ageing products developed in Switzerland. Acquired in 2010 with worldwide distribution rights, the Group currently has 14 outlets in Hong Kong, and a further 1 in Macau. These include a range of spas providing high-end beauty services with a luxury ambience, retailing the Swiss-made Glycel product range. Glycel has also made a name for itself for the very wide range of high-end, state-of-the-art beauty devices and treatments it offers customers.

EUROBEAUTÉ AND DERMASYNERGY

The Group's self-owned Eurobeauté brand products are used extensively as integral parts of many Oasis Beauty treatments, as well as being sold directly to consumers at its outlets. Developed based on leading global research and technology, the expanding range of Eurobeauté products is providing Asian women with home-based skincare solutions that effectively complement the professional salon treatments supplied by the Group.

Another important range of products for the Group are those under its own DermaSynergy brand. DermaSynergy brand is an advanced medical beauty product line that further expands the reach of its Oasis Medical Centre business. DermaSynergy is a revolutionary skin care system that provides dermatological expertise to maximise the benefits of derma treatment. Its product range together represents a comprehensive skin care and protection system, professionally formulated especially for post-medical skin treatment.

OTHERS

The Group also operates 4 spa ph+ centres locations in Hong Kong. The spa ph+ business offers a full range of spa services utilising internationally renowned skincare brands and is staffed by qualified beauty therapists. In addition, the Group operates one AesMedic Clinic, which is a specialised medical beauty treatment centre that provides advanced treatments for various skin and body concerns.

CEO's Statement

The mood in Hong Kong has been consistently downbeat over the past year, as concerns about job security, an under-performing stock market and weak housing trends have all weighed heavily on local confidence. Alongside this we have seen new travel and leisure trends developing in Hong Kong, with increasing numbers of local residents heading across the border or overseas for long weekends and short holidays. These trends have further reduced consumer spending in Hong Kong, as well as disrupting customer flows in service industries like our own.

It is to the Group's credit, therefore, that we have managed this difficult environment so successfully over the past year, achieving growth in both turnover and underlying core profit. Achieving such results at a time when many in the industry are struggling and some smaller players looking to exit altogether has not been easy, and certainly not something we take for granted. I believe there are a number of core advantages possessed by the Group that have enabled us to buck the industry trend in this past fiscal year.

To begin with, we have put a great deal of effort and investment in recent years, including during the pandemic, into establishing the Group as a trusted industry leader in its field. Our leadership status can be seen in the wide geographical distribution of our brand offerings; in fact, we are represented in every major district across Hong Kong. The Group's beauty centres are constantly being renovated and upgraded, and their beauty equipment and treatments constantly refreshed. The result is that consumers throughout Hong Kong know they can find high quality, well-appointed and reliable beauty services close to home. Furthermore, our scale, long history and readiness to invest in the future all give customers great confidence in our brands and in our pre-payment business model.

Not only are the Group's beauty brands widely known and trusted, we have also poured considerable resources into expanding our marketing initiatives to cement our brand image even more strongly. For instance, we have drawn on top celebrities and KOLs for our recent marketing efforts, reaching many new customers as well as strengthening our existing customer base. We have also been able to tap into the extensive synergies between our various brands, for instance by opening several flagship destinations where different brands have been located in close proximity to each other.

Quality has been our unchanging benchmark, and it has defined all the Group's offerings. We aim to deliver top quality, consistently, and across the board. The premium we pay our staff ensures that we have the people to deliver the very highest standards of quality, both in terms of professional treatment and empathetic customer care.

These are some of the core reasons, I believe, why the Group has proved so resilient in the face of the current difficult environment. However, we are not immune from the negative trends mentioned above, and are conscious that we need further strategies to manage them in the longer term. In addition to maintaining our high standards of quality, we also have plans to further consolidate our market-leading status.

Because we are debt-free, we have the resources to continue investing in the very latest technologies and treatments. These will continue to give the Group an edge in the market going forward. Regardless of the movement of locals across the border to the Greater Bay Area, we believe Hong Kong customers will be unable to find the levels of advanced technology and quality offered by the Group anywhere else.

In recent years, the Group has been developing and enhancing its online platforms to enhance its brand exposure, including its important social media platforms that nowadays have such a far-reaching influence. This is another area where we have a strong edge, and in the year ahead we will be devoting more resources to further expanding our reach through these platforms to reach new target segments and demographics.

Behind the scenes, we are looking at and analysing recent customer behaviour trends closely. This is important data that we need to plan effectively for the future. We will be using this information to further streamline our treatment offerings and marketing efforts in the future.

The next 12 months look likely to be challenging ones, and the Group is uncertain about wider prospects of economic recovery. We therefore remain cautious about our own performance, but quietly confident that we have the reputation, the quality and the management experience to manage what lies ahead successfully. Our aim is to maintain our market leadership status, to continue our reputation for premium quality, and consequently to deliver consistently steady returns for investors.

Alan Tam
Executive Director and Chief Executive Officer

Management Discussion and Analysis

Financial Highlight

$983M

The Group's revenue for the year ended 30 September 2024 increased to approximately HK$983 million.

$113M

Excluding a non-cash loss on fair value change of investment properties and a non-cash impairment loss on goodwill, the Group's underlying net profit for the year ended 30 September 2024 increased to approximately HK$113 million.

$68M

The Group's net profit for the year ended 30 September 2024 amounted to approximately HK$68 million.

$

The Group remains financially sound and debt-free.

The Group's financial performance reconfirms its position as a market leader in the beauty services industry in Hong Kong.

Management Discussion and Analysis

Hong Kong, the Group's core market, presented a difficult environment in the year 2023–24. It was an environment of muted economic activity and low confidence, with job concerns rife and worries about housing prices and the stock market weighing heavily on many people's minds. Increasingly too HK residents have been using easy access to the Greater Bay Area to head out of Hong Kong on the weekends, spending their money outside the city; others have increasingly been travelling to nearby destinations like Japan or Taiwan. For many sectors, including the beauty services and products industry, these trends have disrupted customer flows and translated into a struggle for profitability.

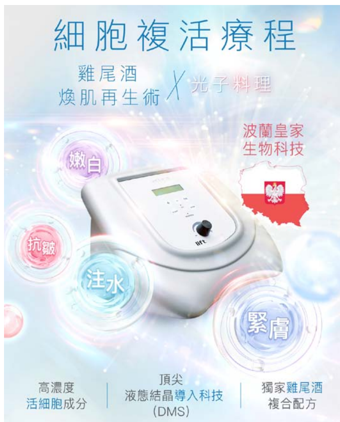
Against this backdrop, it is encouraging to report that the Group was able to increase its overall revenue year-on-year and achieve satisfactory growth in most of its major brands. This performance was driven by its beauty services segment, which continued to rise as a percentage of overall revenue in 2023-24. As at 30 September 2024, the percentage of services in the Group's product/service mix had risen to 86.8%, from 84.4% a year earlier. This increase in service revenue directly worked to increase the gross profit margin, which rose from 90.2% to 91.6% year on year.

Core expenses continued at similar levels to the previous year. Rental expenses declined slightly, from 16.9% to 16.2% of revenue, as market rents continued to soften to reflect the weak economy and the Group closed some stores. Depreciation costs of property and equipment remained similar to the previous year (4.6% against 4.8% last year), as the Group's policy of regularly replacing/upgrading equipment and renovating outlets continued at a similar level to previous years. Once again staff costs rose, reflecting a very tight labour market in Hong Kong as well as the Group's determination to retain its best staff by offering generous incentives. This was despite a fall in actual staff numbers, from 1,073 to 914, following the closure of some outlets.

New advertising campaigns were launched in the year that helped push up the Group's advertising expenditure as a percentage of revenue from 1.7% to 2.1%. This was money well spent, with the campaigns and marketing initiatives proving effective at capturing new customers and enhancing the image of various of the Group's brands.

When the above factors are taken into consideration, it is pleasing to record an increase in the Group's underlying core profit. However, during the year the Group recognised non-cash impairment losses that had an impact on its net profit for the year. The first, previously reported in the interim report, was a non-cash goodwill impairment loss relating to the Group's decision to end its distributor agreement for the HABA brand for Mainland China, beginning from 31 March 2025. As announced, this decision was a strategic one through which the Group expects to improve its long-term profitability by concentrating its business efforts in Hong Kong, where it has a strong presence, high recognition, and clearly identifiable growth prospects.

The second related to a management review of the valuation of the Group's investment properties, given the current weak state of the Hong Kong property market. The exercise gave rise to a non-cash revaluation loss for the year, aligning the book value of the properties with their current fair market value. The effect of these impairment losses was to lower the Group's net profit year-on-year. However, if these non-cash items are excluded, the Group in fact registered an increase in its core underlying operating profit for the year.



As at 30 September 2024 the Group held bank balances and cash of approximately HK$485.2 million in total. The Group is currently debt-free. The Board has recommended the payment of a final dividend of 2.0 HK cents per share, bringing the full-year dividend to 5.5 HK cents (2023: 14.0 HK cents) per share.

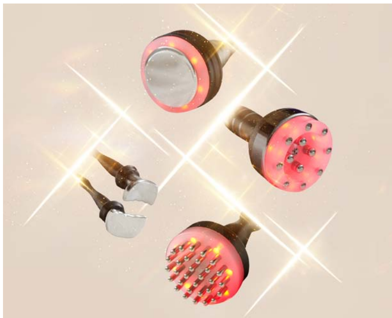
Business Review

Beauty Services

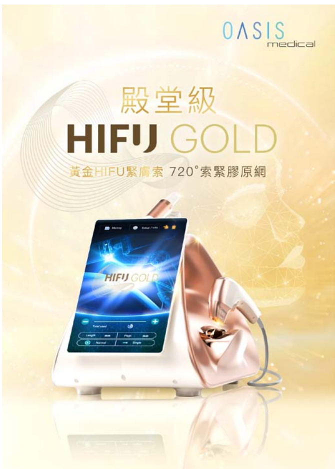
OASIS Portfolio

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

Oasis Beauty centres performed well across the year, boosted by the regular introduction of new products and treatments. A series of 'Royal Poland' Bio-Rejuvenating treatments were rolled out in January that proved popular among customers, while 'Milan' reshaping therapy introduced in May offered new body slimming options. In September, a range of 'Push-Up', 'Tone-Up' and 'Slim-Up' treatments were launched that provided a diverse array of enhancement treatments for bust firmness, abdominal slimming, joint tension, tendon fatigue, lymphatic circulation and fat reduction. This regular roll-out of new and often innovative treatments, supported by strong marketing and promotion initiatives, saw Oasis Beauty maintain a steady performance throughout the year without noticeable fluctuations in performance.



Oasis Medical Centres continued to maintain their reputation for highly professional medical beauty services, overseen by registered doctors. Highlight new treatments available at Oasis Medical Centres in the year included a host of HIFU Gold face, neck and jaw treatments to boost firmness and add youthfulness, rolled out in January. Further new offerings were made available in September, including the Plasonic Exosome Face Regeneration Treatment which stimulates various regenerative process in the skin by stimulating collagen production and enhancing cellular renewal.

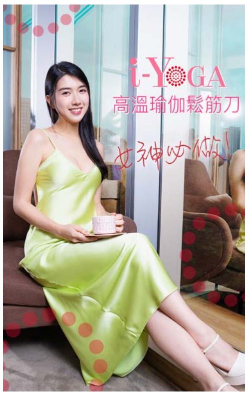


In the year, the number of Oasis Beauty centres in Hong Kong remained steady at 15. The Group closed 1 centre in Macau, leaving 1 in operation there. 3 self-managed Oasis Beauty centres continue to operate in Beijing in the PRC. Meanwhile, the number of Oasis Medical Centres in Hong Kong reduced to 9, from 10 a year earlier.

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

Glycel

The Group's Glycel brand generates revenue primarily from its Skinspa treatment operations and sales of Glycel-branded products. It performed well in the year, and captured customer interest with a steady roll-out of new products and treatments, all widely supported by effective advertising and promotion campaigns. A series of Cellu M6 revitalising treatments in January were followed by the i-Yoga series in March, offering stretching and muscle relief treatments for the back and limbs. Further i-Yoga treatments were rolled out in June and August, extending the scope of the treatments to cover all parts of the body. Other highlights included the 6D extra treatments (Nourishing Heat, Cool Rejuvenating and Black Obsidian) from May, delivering nourishing and repairing treatments for the face. Glycel customers thus had a very extensive and multi-functional range of treatment options to choose from throughout the year.



As at 30 September 2024, the Group was operating 14 Glycel outlets in Hong Kong and a further 1 in Macau.

spa ph+ and AesMedic Clinic

The Group has 4 spa ph+ beauty service centres in Hong Kong, a brand it gained upon the acquisition of the Millistrong Group. The spa ph+ was another steady performer in the year, supported by a strong rollout of treatment plans. The Group also operates 1 AesMedic Clinic, also from the Millistrong acquisition, which is a medical beauty centre. It too continued to perform strongly throughout the year.

Product sales

As noted above, the Group's focus has continued to swing towards beauty services, with this year its stable of self-owned and distribution-licensed retail beauty brands contributing just 13.2% of revenue for the year, down from 15.6% a year earlier. The lower percentage of retail sales does reflect a market environment of sluggish sales. At the same time, the Group has continued to streamline and rationalise its retail brand outlets, leading to it having fewer retail outlets in operation at the end of the year than a year earlier.

Key brands retailed by the Group include Glycel and Eurobeauté. Glycel products are primarily sold in Glycel Skinspas, as part of or extensions to the spa treatments available there. Similarly, Eurobeauté products are no longer sold at retail outlets but as part of Oasis Beauty centre treatments. Both brands benefited from the good performances of the beauty services sector this year, recording satisfactory sales growth year on year.

PROSPECTS

The Group is quietly satisfied with its performance for the past 12 months, but sees the current Hong Kong situation as likely to remain severely challenging for the longer term, and there is no guarantee that consistently good results can be maintained in the months ahead. There are few signs of big improvements in the economy, and current trade tensions between the United States of America and China are unlikely to help the recovery process.

Given the situation, the Group will adopt a three-pronged strategy going forward. In the first place, it will look for ways to further mitigate the risks associated with the current state of affairs, paying close attention to the profitability of its outlets and new customer trends. It will remain proactive and flexible, ready to address market uncertainties and new trends as they arise. It will also maintain its long tradition of financial prudency, which sees the Group debt-free and hence unburdened by the high interest rate costs of the past few years.

Secondly, it will maintain its historical focus on delivering nothing but top quality, industry-leading standards at the level of service, treatments and products, and advanced technology. This involves continuing to invest in the latest beauty equipment and technology, and maintaining its outlets as premium luxury venues. The Group has built a reputation as an industry leader on the basis of its reliable, high quality offerings that meet the needs of a wide range of the public. It will continue to position itself at the top, gaining the confidence of customers.

Thirdly, it will continue to invest in and expand its marketing efforts, and work harder than ever to engage with customers. It has already lifted its advertising expenditure as a percentage of revenue in acknowledgement of just how important these connections are for its business. It does see this increased engagement with customers as vital in the current environment.

The Group remains totally committed to delivering premium quality beauty services and products tailored for Hong Kong consumers, and believes it has the reputation, the skills and the management expertise to maintain its industry-leading position while generating solid returns for shareholders.

Directors and Senior Management

DIRECTORS

EXECUTIVE DIRECTORS

Mr. YU Kam Shui, Erastus, aged 74, is an executive director and one of the founders of the Group. Mr. Yu is also a director of certain subsidiaries of the Company. Mr. Yu is the chairman of Disclosure Committee and a member of Investment Advisory Committee of the Company. He holds a Bachelor's Degree in Business Administration from the University of Hawaii, the United States. Mr. Yu started his career in trading in the United States in 1993. Mr. Yu is primarily responsible for the business development of the Group. Mr. Yu is the brother of Ms. Yu Lai Chu, Eileen, Ms. Lai Yin Ping's husband and the uncle of Mr. Tam Siu Kei.

Mr. TAM Siu Kei, aged 47, is the Chief Executive Officer of the Group (the "CEO") since 15 March 2017 and is an executive director of the Company since 1 February 2019. Mr. Tam is also a director of certain subsidiaries of the Company. Mr. Tam has been working for more than 20 years since he joined the Group in 1999. During his year of services in the Group, Mr. Tam has successfully launched our Medical Beauty services business in Hong Kong. He has also participated in the acquisition of our Group's Glycel brand business as well as obtaining the distributorship licences of Erno Laszlo. Besides, he has also assisted in developing the retail and beauty service businesses in various geographical areas including Mainland China, Macau, Taiwan and Singapore. Mr. Tam is the Beijing Chaoyang District Committee of CPPCC, Mobilisation Officer (NTE) of the Auxiliary Medical Service and Senior Supervisor of Hong Kong Road Safety Patrol, Hong Kong Sheng Kung Hui (S.K.H.) Welfare Council Limited Audit Sub-Committee Member, Sponsoring Body Manager of S.K.H. St. Michael's Primary School, S.K.H. Chai Wan St. Michael's Primary School and St. Paul's Church Kindergarten. Mr. Tam holds a Bachelor of Arts Degree in Contemporary English Language. Mr. Tam is a son of Ms. Yu Lai Chu, Eileen, the nephew of Mr. Yu Kam Shui, Erastus and Ms. Lai Yin Ping, all of which are executive directors of the Company. Mr. Tam is a director of Zinna Group Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong.

Ms. YU Lai Chu, Eileen, aged 72, is an executive director and one of the founders of the Group. Ms. Yu is also a director of certain subsidiaries of the Company. Ms. Yu started her own realty agency business in 1984 and she managed a retail jewellery chain. In 1993, she entered into the cosmetic and skincare market. Ms. Yu acted as the sole distributor of a number of well-known international brands of cosmetics. Ms. Yu is primarily responsible for the business development of the Group with particular emphasis on the spa business. Ms. Yu is the sister of Mr. Yu Kam Shui, Erastus, the sister-in-law of Ms. Lai Yin Ping and the mother of Mr. Tam Siu Kei. Ms. Yu is a director of Zinna Group Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong.

Ms. LAI Yin Ping, aged 69, is an executive director and one of the founders of the Group. Ms. Lai is also a director of certain subsidiaries of the Company. Ms. Lai holds a Bachelor's Degree in Arts with Economics as her major. Prior to founding the Group in May 1998, Ms. Lai co-founded a trading business with Mr. Yu Kam Shui, Erastus in the United States in 1993. Ms. Lai is primarily responsible for the strategic planning of the Group. Ms. Lai is the wife of Mr. Yu Kam Shui, Erastus, the sister-in-law of Ms. Yu Lai Chu, Eileen and the aunt of Mr. Tam Siu Kei.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Prof. WONG Lung Tak, Patrick, B.B.S., J.P., aged 76, is an independent non-executive director since 2001, the chairman of Audit Committee and the members of Disclosure Committee, Investment Advisory Committee, Nomination Committee and Remuneration Committee of the Company. Prof. Wong is a Practising Certified Public Accountant. He is the managing practising director of Patrick Wong CPA Limited and has over 50 years experience in the accountancy profession. Prof. Wong obtained a Doctor of Philosophy Degree in Business, was awarded a Badge of Honour in 1993 by the Queen of England. Prof. Wong has been appointed as a Justice of the Peace since 1998 and was awarded a Bronze Bauhinia Star (B.B.S.) in 2010 by The Government of the Hong Kong Special Administrative Region (the "HKSAR Government"). Prof. Wong is currently an independent non-executive director of Galaxy Entertainment Group Limited, Winox Holdings Limited, The Cross-Harbour (Holdings) Limited and Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited. Prof. Wong was an independent non-executive director of Kafelaku Coffee Holding Limited (formerly known as Li Bao Ge Group Limited), Sino Oil and Gas Holdings Limited and C C Land Holdings Limited from 16 June 2016 to 1 January 2022, from 16 August 2010 to 24 November 2022 and from 1 October 2007 to 22 May 2023 respectively. All companies are listed on The Stock Exchange of Hong Kong Limited.

Mr. WONG Chun Nam, Duffy, B.B.S., J.P., aged 71, is an independent non-executive director since 2001, the chairman of Remuneration Committee and members of Audit Committee, Disclosure Committee, Investment Advisory Committee and Nomination Committee of the Company. Mr. Wong is a consultant of K B Chau & Co., Solicitors & Notaries, practising commercial, corporate and tax laws. Mr. Wong has been a practising solicitor in Hong Kong since 1982 and is also a Notary Public, a Chartered Secretary, a Chartered Governance Professional, a Chartered Tax Adviser, an Accredited General Mediator and a member of the Chartered Institute of Arbitrators. Mr. Wong participates in many public services including being a Justice of the Peace and a member of the Torture Claims Appeal Board. Mr. Wong is currently an independent non-executive director of Shing Chi Holdings Limited (formerly known as Ri Ying Holdings Limited) which is listed on The Stock Exchange of Hong Kong Limited.

Dr. WONG Chi Keung, aged 69, is an independent non-executive director since 2004, the chairman of Investment Advisory Committee and Nomination Committee and members of Audit Committee, Disclosure Committee and Remuneration Committee of the Company. Dr. Wong holds a Doctorate Degree in Business and is a member of the Hong Kong Institute of Housing, Chartered Institute of Housing and Royal Institute of Chartered Surveyors. He is a fellow of both The Hong Kong Institute of Directors and the Hong Kong Institute of Real Estate Administrators. He is an honorary fellow of Guangxi Academy of Social Science. Dr. Wong has also held various senior executive positions with some of Hong Kong's leading property companies. Dr. Wong is currently the deputy chairman and executive director of C C Land Holdings Limited and executive director of The Cross-Harbour (Holdings) Limited, both companies are listed on The Stock Exchange of Hong Kong Limited. Besides, Dr. Wong is a director of The Hong Kong School of Motoring Limited.

Dr. CHAN Chi Kau, Johnnie Casire, S.B.S., B.B.S., J.P., aged 69, is an independent non-executive director since 5 September 2022, the members of Audit Committee, Remuneration Committee, Nomination Committee, Investment Advisory Committee and Disclosure Committee of the Company. Dr. Chan holds a Doctoral Degree in Business, a Master Degree and a Professional Diploma in Housing Management. He is a Registered Professional Housing Manager, a fellow of the Royal Institution of Chartered Surveyors, a Fellow of The Hong Kong Institute of Housing, the Chartered Institute of Housing, the Hong Kong Institute of Real Estate Administrators, as well as an Honorary Fellow of The Hong Kong Institute of Facility Management. Dr. Chan has been appointed to serve in a number of public and voluntary services, currently, he is an Ex-officio Member (Architectural, Surveying, Planning and Landscape Subsector) of the Election Committee, a member of the Hong Kong Housing Authority (Chairman of the Building Committee), a member of the Elderly Commission, a member of the Occupational Safety & Health Council, an Honorary Member of the Auxiliary Medical Service, the Vice-Chairman of the Hong Kong Council on Smoking and Health as well as an Adjunct Professor of The University of Hong Kong. In recognition of his contributions towards the housing profession, medical and related community services for the society at large, he was awarded the Governor's Commendation For Community Service in 1993, appointed a Justice of the Peace (J.P.) in 2008, awarded the Bronze Bauhinia Star (B.B.S.) Medal in 2012 and the Silver Bauhinia Star (S.B.S.) Medal in 2021 by the HKSAR Government. Dr. Chan is an honorary fellow of the Guangxi Academy of Social Sciences.

SENIOR MANAGEMENT

The organisation structure was streamlined. Various businesses and functions of the Group are under the direct responsibilities of the executive directors and CEO who are regarded as senior management of the Group. The Board will review the organisation structure from time to time to complement the Company's corporate strategy.

Corporate Governance Report

The board of directors of the Company (the "Board") is pleased to present this corporate governance report in the Company's annual report for the year ended 30 September 2024.

The Board is committed itself to enhance the standard of corporate governance practices and business ethics with the firm belief that they are essential for maintaining and promoting investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfil its commitment to excellent corporate governance.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 30 September 2024.

BOARD OF DIRECTORS

RESPONSIBILITIES

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. Presently, the company secretary is responsible for ensuring that all directors are properly briefed, either by him or by members of the Company's senior management, on issues arising at the Board meetings. The Board delegates its authority and responsibilities to the senior management for the day-to-day management and operations of the Group. Approval has to be obtained from the Board prior to any significant transactions being entered into by the senior management.

All directors have full and timely access to all relevant information in relation to the Company as well as the advices and services of the company secretary, if and when required, with a view to ensuring that the Board procedures and all applicable rules and regulations are followed.

There are established mechanisms for directors of the Company to seek independent professional advices for them to discharge their duties and responsibilities, and to ensure independent views and input are available to the Board. The Board adopted a policy on directors obtaining independent professional advice on 7 March 2022 and the Board reviews the implementation and effectiveness of such mechanisms annually. The Board has reviewed the implementation and effectiveness of the mechanisms during the year ended 30 September 2024 and considered that the mechanisms remain effective.

Each director of the Company is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities. The director of the Company must seek the prior approval of the chairman of Audit Committee (or if the chairman of Audit Committee is the relevant director, the approval of the Board). In seeking such prior approval, the director of the Company must provide details of the nature of and reasons for the independent professional advice to be sought, the likely cost of obtaining the independent professional advice; and details of the independent adviser. The approval of the chairman of Audit Committee (or the Board as appropriate) must not be unreasonably withheld. The chairman of Audit Committee (or the Board as appropriate) may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice. All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and the director of the Company in their personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including, for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director of the Company and the Company. Unless the chairman of Audit Committee or the Board (as applicable) otherwise determines, any advice received by an individual director will be circulated to the Board.

BOARD COMPOSITION

As at 30 September 2024 and up to the date of this annual report, the Board comprises four executive directors and four independent non-executive directors from different business and professional fields. The profile of each director is set out in the "Directors and Senior Management" section in this annual report. The directors, including the independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions.

The Company has received an annual written confirmation from each of the independent non-executive directors of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors to be independent.

The terms of office of all independent non-executive directors shall expire and subject to rotational retirement and re-election at annual general meetings of the Company (the "AGM") at least about once every three years pursuant to the articles of association of the Company (the "Articles of Association"). Under the Articles of Association, at each AGM one-third of the directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall be subject to retirement by rotation provided that every director shall be subject to retirement at an AGM at least once every three years.

At the forthcoming AGM, Ms. Lai Yin Ping, Prof. Wong Lung Tak, Patrick and Mr. Wong Chun Nam, Duffy will retire as directors and, being eligible, offer themselves for re-election.

In accordance with the article 83(3) of the Articles of Association, the directors shall have the power from time to time and at any time to appoint any person as the director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any director so appointed by the Board shall hold office only until the next following AGM and shall then be eligible for re-election.

The family relationships among the Board members, if any, are disclosed under "Directors and Senior Management" section in this annual report. Save as disclosed, there is no other financial, business, family or other material/relevant relationships among the members of the Board.

The Company has arranged Directors' and Officers' Liability Insurance for the directors and officers of the Company.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and CEO should be separate and should not be performed by the same person. Presently, the Board does not have any director with the title "Chairman", but Mr. Yu Kam Shui, Erastus, an executive director, is carrying out the duty of the chairman. Mr. Tam Siu Kei as the CEO is responsible for managing the Group's business and overall operations.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Board Diversity Policy") effective in August 2013.

VISION

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance.

POLICY STATEMENT

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All the Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

MEASURABLE OBJECTIVES

Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

MONITORING AND REPORTING

The Nomination Committee will monitor the implementation of the Board Diversity Policy and will from time to time review the Board Diversity Policy, as appropriate, to ensure the effectiveness of the Board Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

DIVERSITY IN BOARD AND WORKFORCE

BOARD LEVEL

Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a director of the Company, the Nomination Committee will consider a range of diversity of perspectives with reference to the Company's business model and specific needs, including but not limited to skills, knowledge, professional experience and qualifications, industry and regional experience, cultural and educational background, age, gender and the potential contributions that the candidate is expected to bring to the Board. All the Board members appointment will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity to the Board. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

For the year ended 30 September 2024 and as at the date of this annual report, the Board consists of six male members and two female members. The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and the Board had not set any measurable objectives. The Company has also reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the directors in various aspects and fields can enable our Company to maintain a high standard of operation.

The Company will engage more resources in training female staff who have long and relevant experience in beauty services industry, with the aim of promoting them to the senior management or directorship of the Group. The Company expects to have more female members who would be qualified to sit on the Board in the future.

WORKFORCE LEVEL

The Group is engaged in the operations of beauty services including spas, beauty salons and medical beauty centres as well as the distribution of skincare products. Due to the uniqueness of the industry, most of the customers are women, with a minority of men. In order to serve the needs of female customers, the proportion of the Company's staff is mostly women. The details of workforce composition in Hong Kong were disclosed under Environmental, Social and Governance Report in this annual report. Setting a measureable objective for achieving gender diversity at workforce level is not suitable for beauty services industry.

In order to enhance efficiency, the Company maintains a simple staff structure and there are various departments which are led by different male and female staff.

The Company welcomes all gender to join. The recruitment strategy is to employ a right staff for a right position regardless of the gender. The Company commits to provide equal opportunities to its staff in respect of recruitment, training and development, job advancement, and remuneration and benefits.

BOARD AND BOARD COMMITTEE MEETINGS

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

Regular Board meetings are held at regular intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

The Board met 5 times during the year ended 30 September 2024.

PRACTICES AND CONDUCT OF MEETINGS

The Board is responsible for the leadership and control of the Company, overseeing the Group's businesses, strategic decisions, risk management and internal control systems, and monitoring the performance of the senior management. The day-to-day management, administration and operations of the Company are delegated to the CEO and the senior management.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings while reasonable notice is generally given for other Board meetings. For committee meetings, notices are served in accordance with the required notice period stated in the relevant terms of reference.

Agenda and Board papers together with all appropriate, complete and reliable information are normally sent to all directors before each Board meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All directors are given the opportunity to include matters in the agenda for regular Board meetings. The Board and each director also have separate and independent access to the senior management whenever necessary.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are kept by the secretary of the meetings and are open for inspection by the directors.

The composition of the Board and the attendance of individual members of the Board, Board committees meetings and annual general meeting during the year ended 30 September 2024 are set out in the table below:

	Number of meeting(s) attended/held						
Directors	Board	Audit Committee	Remuneration Committee	Investment Advisory Committee	Nomination Committee	Disclosure Committee	Annual General Meeting
Executive directors							
YU Kam Shui, Erastus	5/5	–	–	1/1	–	–	1/1
TAM Siu Kei (CEO)	5/5	–	–	–	–	–	1/1
YU Lai Chu, Eileen	4/5	–	–	–	–	–	1/1
LAI Yin Ping	5/5	–	–	–	–	–	1/1
Independent non-executive directors							
WONG Lung Tak, Patrick	5/5	2/2	1/1	1/1	1/1	–	1/1
WONG Chun Nam, Duffy	4/5	2/2	1/1	0/1	0/1	–	1/1
WONG Chi Keung	5/5	2/2	1/1	1/1	1/1	–	1/1
CHAN Chi Kau, Johnnie Casire	5/5	2/2	1/1	1/1	1/1	–	1/1

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT PROGRAMME

Pursuant to the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

The Company has put in place an on-going training and professional development programme for directors.

During the year ended 30 September 2024, all directors of the Company received regular briefings, seminars, conference and/or updates relevant to the Group's business, operations, risk management, corporate governance, directors' duty and responsibilities, and other relevant topics. Materials on new or salient changes to laws and regulations applicable to the Group were provided to the directors. All directors have provided the Company with their respective training records pursuant to the CG Code.

The participation by each director of the Company in the continuous professional development was recorded in the table below:

Directors	Reading	Attending in-house briefings/seminars/ conferences
Executive directors		
YU Kam Shui, Erastus	✓	–
TAM Siu Kei	✓	–
YU Lai Chu, Eileen	✓	–
LAI Yin Ping	✓	–
Independent non-executive directors		
WONG Lung Tak, Patrick	✓	✓
WONG Chun Nam, Duffy	✓	✓
WONG Chi Keung	✓	✓
CHAN Chi Kau, Johnnie Casire	✓	✓

BOARD COMMITTEES

To oversee particular aspects of the Company's affairs and to assist in the execution of its responsibilities, the Board has established five Board committees, namely Audit Committee, Remuneration Committee, Investment Advisory Committee, Nomination Committee and Disclosure Committee. Independent non-executive directors play an important role in these committees to ensure that independent and objective views are expressed and to promote critical review and control.

AUDIT COMMITTEE

The Audit Committee comprises all independent non-executive directors, namely Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire, and is chaired by Prof. Wong Lung Tak, Patrick, a qualified accountant with extensive experience in financial reporting and controls. The terms of reference of the Audit Committee were revised from time to time to comply with the CG code. It is responsible for appointment of external auditor, review of the Group's financial information and overseeing the Group's financial reporting system, risk management and internal control procedures. It is also responsible for reviewing the interim and annual results of the Group prior to recommending them to the Board for approval. It meets regularly to review financial reporting and internal control matters and to this end, has unrestricted access to the Company's external auditor. Its terms of reference are available on the respective websites of the Stock Exchange and the Company.

To comply with the requirement under the CG Code in respect of the responsibilities for performing the corporate governance duties, 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 CG Code contained in the Listing Rules and disclosures in the corporate governance report.

During the year ended 30 September 2024, 2 meetings were held by the Audit Committee. Among these meetings, it had reviewed the annual results of 2023 with external auditor and also the activities of the Group's risk management and internal control functions and the interim results of 2024.

It also reviewed the Company's progress in implementing the corporate governance requirements as set out in the CG Code.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 26 June 2006 with its written terms of reference revised in March 2012 and 2023 to comply with the CG Code. The members of the Remuneration Committee comprise all independent non-executive directors of the Company, namely Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire, 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. In additional, the Remuneration Committee is responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. It also makes recommendations to the Board on the remuneration of non-executive directors.

The Remuneration Committee meets at least once a year for reviewing the remuneration policy and structure and recommending the annual remuneration packages of the executive directors and the senior executives and other related matters. Its terms of reference are available on the respective websites of the Stock Exchange and the Company.

During the year ended 30 September 2024, 1 Remuneration Committee meeting was held to review and approve the management's remuneration proposals, as well as to recommend on the remuneration packages of individual executive directors, independent non-executive directors and senior management.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (refer to as disclosed in "Directors and Senior Management" section of this annual report) by band for the year ended 30 September 2024, particulars regarding directors' and chief executive's emoluments and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in note 16 to the consolidated financial statements of this annual report.

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, namely Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung, and Dr. Chan Chi Kau, Johnnie Casire and an executive director of the Company, Mr. Yu Kam Shui, Erastus 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. Its terms of reference are available on the website of the Company.

During the year ended 30 September 2024, 1 Investment Advisory Committee meeting was held to review the investment plans on assets including investment properties, bank and cash or any other kind of investments of the Group as well as to evaluate and discuss the investment risk, if any, on existing investment portfolio of the Group.

NOMINATION COMMITTEE

To comply with the CG Code, a Nomination Committee was established on 22 March 2012 with its terms of reference revised in March 2012 and August 2013. The members of the Nomination Committee comprise all independent non-executive directors of the Company, namely Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire, and is chaired by Dr. Wong Chi Keung.

The Nomination Committee is responsible for making recommendations to the Board on nominations, appointment or re-appointment of directors and Board succession. The principal duties of the Nomination Committee include reviewing the structure, size, 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. Its terms of reference are available on the respective websites of the Stock Exchange and the Company.

During the year ended 30 September 2024, 1 Nomination Committee meeting was held among others (i) to review the structure, size and composition of the Board; (ii) to assess the independence of the independent non-executive directors; (iii) to review and make a recommendation to the Board on the re-appointment of the directors; and (iv) to review the Board Diversity Policy and the measurable objectives as well as the nomination policy (the "Nomination Policy").

NOMINATION POLICY

OBJECTIVES

The key objectives of the Nomination Policy shall inter alia include the following:

- to guide the Board in relation to appointment/re-appointment/removal of directors of the Company;
- to devise criteria for performance evaluation of the independent non-executive directors of the Company and the Board as a whole; and
- to devise a policy on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills and judgment of the directors.

APPOINTMENT/RE-APPOINTMENT/REMOVAL OF DIRECTOR

Nomination Committee shall identify and ascertain the integrity, qualification, expertise and experience of the candidate who is considered for being appointed/re-appointed as director and apply due diligence in compliance with all applicable provisions of the laws of the Cayman Islands and the Listing Rules including any amendments thereto from time to time. Also, the Nomination Committee shall consider recommendations for candidates to the Board from shareholders of the Company.

The Nomination Committee shall obtain all applicable declarations and undertaking as provided under the laws of the Cayman Islands and the Listing Rules. In case of independent non-executive directors, the Nomination Committee shall ensure that the independent non-executive directors meet the criteria of independence as laid down in the Listing Rules.

While recommending any potential new Board member(s)/re-appointment of existing member(s) to the Board, the Nomination Committee shall consider the following:

- the current size and composition of the Board, the needs of the Board and the respective committees of the Company;
- candidate's character, integrity, judgment, diversity of experience (including age, gender, international background, race and professional experience), independence, area of expertise, corporate experience, length of service, potential conflicts of interest, other commitments and the like. The Nomination Committee evaluates these factors, among others, and does not assign any particular weighting or priority to any of these factors;
- candidate's ability to provide insights and practical wisdom based on their experience, skill and expertise relevant to the Company's line of business;
- candidate's time commitment to the Company;
- details of candidate's relationship with the existing directors;
- details of substantial interest in the Company;
- candidate's understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- any other factors as the Nomination Committee may deem fit to consider in the best interests of the Company and shareholders of the Company.

Once the Nomination Committee determines that an additional or replacement director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its evaluation of a candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Nomination Committee, the Board or management.

The Nomination Committee may retain the services of professional search firms or other third parties to assist in identifying and evaluating potential candidates.

The Nomination Committee and the Board shall ensure that the composition of the Board is in conformity with the laws of the Cayman Islands, the Listing Rules and all other applicable laws and regulations.

SUCCESSION PLAN

Succession planning is an essential component to the survival and growth of the Company. Succession planning is a tool for the Company to ensure its continued effective performance through leadership continuity. The Company recognises the importance of the process to succession planning to provide for continuity in the smooth functioning of the Company. It is critical to fill up the positions well in time to avoid any leadership gap.

The Nomination Committee shall review the leadership needs of the Company from time to time.

EVALUATION OF DIRECTORS

The Nomination Committee will review the performance of retiring directors and make recommendation to the Board for the continuance, re-appointment or removal of directors. The review of performance shall be undertaken once in a financial year.

BOARD DIVERSITY

The Company has devised a policy on Board diversity to ensure adequate diversity in its Board. The Company believes that diversity underpins the successful operation on an effective Board and embraces diversity as a means of enhancing the business. With a view to achieve sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives. A diverse Board includes and makes good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors.

DECISION BY THE BOARD

After the Nomination Committee makes its recommendations to the Board, the Board will have final authority on determining the selection of the candidates for nomination to the Board.

AMENDMENTS TO THE NOMINATION POLICY

In case of any amendment(s) and/or clarification(s) issued by the relevant authorities, not being consistent with the provisions laid down under the Nomination Policy, then such amendment(s) and/or clarification(s) shall prevail upon the provisions in the Nomination Policy and the Nomination Policy shall stand amended accordingly. The Nomination Committee has the power to amend the Nomination Policy.

DISCLOSURE COMMITTEE

To enhance timely disclosure of inside information as defined under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO"), a Disclosure Committee with written terms of reference was established by the Board on 10 January 2013.

Mr. Yu Kam Shui, Erastus, who is an executive director of the Company, has been appointed as the chairman of the Disclosure Committee. Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire, the independent non-executive directors of the Company, have also been appointed as members of the Disclosure Committee.

The Disclosure Committee is responsible for considering and making recommendations to the Board in relation to disclosure policy and guidelines regarding inside information (as defined under the SFO) (the "Inside Information") of the Company; and making 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 considering other topics, as defined by the Board. Its terms of reference are available on the respective websites of the Stock Exchange and the Company.

During the year ended 30 September 2024, no formal meeting had been held. The Board did consult the Disclosure Committee about its opinions via electronic means, as and when required.

INDEPENDENT AUDITOR'S REMUNERATION

BDO Limited has been re-appointed as the independent auditor of the Company by the shareholders of the Company at last AGM.

The remuneration paid or payable to the Group's independent auditor, BDO Limited, and its affiliated firms, for services rendered for the year ended 30 September 2024 is broken down below:

	2024 HK$'000
Statutory audit	**1,719**
Non-audit services	**660**
Total	**2,379**

The non-audit services mainly comprised tax compliance, interim review service and certain agree-upon-procedure work.

The responsibilities of the independent auditor with respect to the consolidated financial statements for the year ended 30 September 2024 are set out in the section "Independent Auditor's Report" on pages 59 to 65 of this annual report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of financial statements for each financial period with a view to ensuring such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and suitable accounting standards. The directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable; and the financial statements are prepared on a going concern basis.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective risk management and internal control systems of the Group. The systems include a defined management structure with limits of authority, and are designed to help the Group identify and manage the significant risks to achieve its business objectives, safeguard its assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

The internal audit function monitors compliance with policies and procedures and the effectiveness of internal control structures across the Group and its principal divisions. The risk management and internal control systems are continuously reviewed and evaluated by the Audit Committee and the senior management of the Company, and further reviewed and evaluated by the Board at least annually.

During the year ended 30 September 2024, the management has confirmed to the Board and the Audit Committee on the effectiveness and adequateness of the risk management and internal control systems. The Board has reviewed the Company's risk management and internal control systems and considered the systems to be effective and adequate.

The Group has formulated the whistleblowing policy for employees to raise concerns, in confidence, about possible improprieties in operation, financial reporting or other matters. Such arrangement will be reviewed by the Audit Committee which ensures that proper arrangement is in place for fair and independent investigation of the matters.

The Group also issued prevention of bribery and corruption policy to ensure employees are aware of anti-corruption laws and regulations and regulatory obligations.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO and the Listing Rules and the overriding principle that Inside Information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of Inside Information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has formulated inside information policies and disclosed its policies on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or Inside Information; and
- the Group regularly reminds the directors and employees about due compliance with all policies regarding the Inside Information, as well as keeps them appraised of the latest regulatory updates.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Following a specific enquiry by the Company, each of the directors confirmed that he/she complied with the Model Code for transactions in the Company's securities throughout the year ended 30 September 2024.

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

COMPANY SECRETARY

All directors have access to the advice and services of the company secretary, Mr. Wong Hei Pui, Andy ("Mr. Wong"), a full time employee of the Company. Mr. Wong has confirmed that he had received no less than 15 hours of relevant professional training for the year ended 30 September 2024, in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS’ RIGHTS

HOW SHAREHOLDERS CAN CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 58 of the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition by mail to 18th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

Such a requisition must be signed by the shareholder(s).

THE PROCEDURES BY WHICH ENQUIRIES MAY BE PUT TO THE BOARD AND SUFFICIENT CONTACT DETAILS TO ENABLE THESE ENQUIRIES TO BE PROPERLY DIRECTED

Shareholders and other stakeholders may send their enquires and concerns to the Board by addressing them to the company secretary by mail to 18th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong. The company secretary will forward the enquires or concerns to the CEO or chairman of the Board committees or senior management as appropriate within their area of responsibilities for handling.

THE PROCEDURES AND SUFFICIENT CONTACT DETAILS FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS’ MEETINGS

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at shareholders’ meeting. Proposal shall be sent to the Board or the company secretary by written requisition. Pursuant to the Articles of Association, shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures set out in “How Shareholders Can Convene An Extraordinary General Meeting” above.

SHAREHOLDERS COMMUNICATION POLICY

The Board has adopted a shareholders communication policy (the “SCP”) on 22 March 2012. The SCP was reviewed by the Board during the year ended 30 September 2024 to ensure its implementation and effectiveness. With the below measures in place, the SCP is considered to have been effectively implemented.

PURPOSE

The SCP aims to set out the provisions with the objective of ensuring that Company’s shareholders, both individual and institutional (collectively, “Shareholders”), and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

For the purpose of the SCP, references to the investment community is intended to include the Company’s potential investors as well as analysts reporting and analysing the Company’s performance.

GENERAL POLICY

The Board shall maintain an on-going dialogue with Shareholders and the investment community, and will regularly review the SCP to ensure its effectiveness.

Information of the Company shall be communicated to Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), announcements, circulars and other corporate publications made available on the website of the Company at www.wateroasis.com.hk and the HKEXnews website at www.hkexnews.hk, and the direct communication platform in the AGM held every year and any other general meetings that may be convened as required.

Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times.

Any questions regarding the SCP shall be directed to the company secretary of the Company.

COMMUNICATION STRATEGIES

Shareholders' Enquiries

Shareholders should direct their questions about their shareholdings to the Company's Share Registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders and the investment community may send their enquiries in respect of the Company by addressing them to the company secretary of the Company by mail to 18th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

Corporate Communication

Corporate communication (as defined in the Listing Rules), any documents issued or to be issued by the Company for the information or action of Shareholders, including, but not limited to, the directors' report and annual accounts together with a copy of the independent auditor's report, the interim report, a notice of meeting, a circular and a proxy form will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).

Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

Corporate Website

The Company's website www.wateroasis.com.hk provides comprehensive and updated information about the Company, including our news, financial results, financial statements, announcements, circulars, memorandum and articles of association, composition of the Board, Audit Committee, Nomination Committee, Remuneration Committee and Investment Advisory Committee and the terms of reference of the Company's Audit Committee, Nomination Committee, Remuneration Committee and Investment Advisory Committee. Information on the Company's website is updated from time to time.

Information submitted by the Company to the Stock Exchange for publication on the HKEXnews website will also be posted on the Company's website immediately thereafter in accordance with the requirements of the Listing Rules. Such information includes financial statements, results announcements, announcements, circulars, notices of general meetings, proxy forms, monthly return and next day disclosure return etc.

All press release relating to the Company's results announcements (if any) will be made available on the Company's website. All the Company's news regarding the major events and activities of the Group will be made available on the Company's website.

Shareholders' Meetings

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the AGMs and other general meetings shall be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. The Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and representative(s) of external auditors will attend AGMs to answer Shareholders' questions.

Investment Market Communications

Investor/analysts briefings and one-on-one meetings, media interviews and marketing activities for investors etc. will be available where necessary in order to facilitate communication between the Company, Shareholders and the investment community. The Company's directors and employees who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the relevant disclosure obligations and requirements under the Listing Rules.

SHAREHOLDER PRIVACY

The Company recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so.

INVESTOR RELATION

There was no amendment made to the constitutional documents of the Company during the year ended 30 September 2024.

UPDATE ON DIRECTORS' INFORMATION

The changes in directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of 2024 interim report of the Company are set out below:

- The monthly basic salary of Mr. Tam Siu Kei, an executive director and the CEO, will be revised to HK$435,000 with effect from 1 January 2025.

Environmental, Social and Governance Report

ABOUT THE REPORT

The Group is proud to release its tenth Environmental, Social, and Governance ("ESG") Report (the "Report"). The Report outlines our ESG strategies and performance, detailing the governance policies and structures in place. It also highlights our initiatives in addressing key material issues. By presenting the Report, we aim to demonstrate our dedication to sustainable and responsible business practices, providing stakeholders with valuable insights into our approach to sustainable development.

The Report is available in both English and Chinese versions. In case of any discrepancies between the two versions, the English version shall prevail.

Scope and Reporting Period

The Group is headquartered in Hong Kong and has business operations in Hong Kong, Macau and Beijing. Considering the major business segments and operations of the Group, the Report focused on the Group's key business operations in Hong Kong for the period from 1 October 2023 to 30 September 2024 (the "Reporting Period"). The reporting scope is consistent with last year's report.

Reporting Standards and Principles

The Report has been developed in alignment with the Environmental, Social, and Governance Reporting Guide (the "ESG Reporting Guide"), as outlined in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEX"). It adheres fully to the mandatory disclosure requirements and the "comply or explain" provisions established in the ESG Reporting Guide.

The preparation of the Report follows the reporting principles set out in the ESG Reporting Guide:

Materiality	Quantitative	Consistency
• The Group has identified the material ESG issues by conducting stakeholder engagement through different channels and discussion of the board of directors (the "Board") in consideration of the Group's business nature and development. They will be disclosed in the Report in a focused manner.	• The Group has disclosed key performance indicators ("KPIs") in a quantitative manner where appropriate. The KPIs are calculated with reference to "Appendix 2: Reporting Guidance on Environmental KPIs" and "Appendix 3: Reporting Guidance on Social KPIs" of "How to Prepare an ESG Report" published by HKEX.	• The Group employs consistent statistical methodologies for data collection and calculation, ensuring meaningful comparisons of ESG data over time. In case of any changes in the reporting scope or methodologies, they will be clearly explained for the reference of stakeholders.

SUSTAINABILITY GOVERNANCE

The Board holds responsibility in the oversight of the Group's ESG matters, including identifying, evaluating, prioritising, and managing material ESG risks and opportunities. Additionally, the Board establishes and reviews ESG objectives, executes ESG-related policies and measures, and ensures the accountability of the ESG report. The Board monitors the Group's progress towards ESG targets and ensures effective supervision in ESG initiatives by having regular meetings and communication with the management. The Group has engaged an independent consultant, Riskory Consultancy Limited, to assist in report preparation and provide ESG-related consultancy services.

For the Group's other corporate governance details, please refer to the "Corporate Governance Report" in this annual report.

STAKEHOLDER ENGAGEMENT

The Group places great emphasis on stakeholder feedback, recognising its importance to our operations, management, and overall performance. We consider the recommendations and concerns of stakeholders when identifying ESG-related risks and opportunities, as well as when defining our goals and strategies. To foster meaningful dialogue, we actively engage both internal and external stakeholders through various communication channels and engagement activities:

Customers	• Corporate website • Beauty centres/Retail outlets • Brochures and leaflets	• Comment and complaint channels • Customer service hotline • Multimedia
Employees	• Comprehensive training • Emails and other electronic communications • Employee activities	• New hire orientations • Performance appraisals • Notices and circulars • Staff meetings and team briefings
Investors and Shareholders	• Announcements and notices • Annual General Meeting and circulars • Financial statements/ESG information	• Corporate website • Investors briefings • Press releases/News
Suppliers and Business Partners	• Business meetings • Contracts and agreements • Quotations and tendering process	• Supplier appraisal, assessment and evaluation
Community	• Community participation • Corporate website • Multimedia	
Policymakers and Regulators	• Announcements and notices • Corporate website • Financial statements/ESG information	

MATERIALITY ASSESSMENT

Through ongoing communication with stakeholders and discussions at the Board level, the Group has identified 18 ESG issues that are material to its operations. Additionally, an internal materiality assessment was conducted during the Reporting Period. ESG material issues were identified and ranked considering the operation conditions of the Group, opinions from stakeholders, ESG material issues of the industry mentioned in Sustainability Accounting Standards Board (SASB) and ESG material issues identified by peer companies. The identified material issues are managed in a focused manner through the implementation of relevant policies and guidelines. These issues will be disclosed within the Report.

Material Issues	Materiality
Employment	
1. Labour Standards	Most Important
2. Employment and Welfare	Most Important
3. Occupational Health and Safety	Most Important
4. Development and Training	Important
5. Diversity, Inclusion and Equal Opportunities	Relevant
Operation	
6. Anti-corruption	Most Important
7. Product Quality and Safety	Most Important
8. Innovation	Important
9. Legal Compliance	Important
10. Supply Chain Management	Important
11. Data Privacy and Security	Relevant
Environment	
12. Energy Management	Relevant
13. Climate Change	Relevant
14. Exhaust Gas and Greenhouse Gas Emissions	Relevant
15. Waste Management	Relevant
16. Water Consumption	Relevant
17. Use of Packaging Materials and Other Resources	Relevant
Community	
18. Community Investment	Relevant

ENVIRONMENT

The Group is committed to improving its environmental and sustainability performance. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to:

- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong); and
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong).

The Group has formulated and adopted several environmental protection measures, for instance:

1. Promote conscious energy consumption and emissions reduction within the Group to mitigate environmental impact.
2. Provide sufficient resources to oversee and review the Group's approach and targets of environmental protection in its daily operations.
3. Advocate for the adoption of energy-efficient and safe technologies in beauty equipment.
4. Promote environmental awareness to employees through briefings and inhouse communications on a regular basis.
5. Consider a wide range of environmental factors when developing supply chain management policies.
6. Encourage suppliers to uphold their corporate social responsibility and demonstrate their commitment to environmental protection.
7. Share environmental protection policies and management strategies with business partners including suppliers and employees, etc.

Emissions

Exhaust Gas Emissions

Vehicles are the main contributors to our exhaust gas emissions. Furthermore, scented products like aromatherapy and spa supplies, essential oils, and fragrances utilised in beauty centres could emit volatile organic compounds ("VOCs"), which may impact the indoor air quality ("IAQ"). We aim to alleviate our exhaust gas emissions and to improve our IAQ by encouraging the use of public transport for commute, conducting regular maintenance of our vehicles to ensure optimal engine performance and fuel use, and establishing guidelines for a more systematic approach to planning and monitoring IAQ in all beauty centres and spas.

The emission data for the Reporting Period is as follows:

	Unit	2024
Nitrogen oxides (NO_X)	kg	11.44
Sulphur oxides (SO_X)	kg	0.29
Particulate matter (PM)	kg	0.84

Greenhouse Gas Emissions

Electricity consumption is the primary source of our greenhouse gas ("GHG") emissions. To progressively reduce our GHG emissions, we are implementing various energy-saving measures (see the section titled "Energy Consumption"). Additional measures that have been put into practice include:

- **Monitor water consumption**
- **Use digital technology and recycled paper**
- **Encourage the use of public transport**
- **Use tele- or video-conferencing as an alternative to business travel**

The emission data for the Reporting Period is as follows:

	Unit	2024
Direct GHG emissions (Scope 1)[1]		
• Gasoline	tonnes CO_2e	52.53
Energy Indirect GHG emissions (Scope 2)[1]		
• Purchased electricity	tonnes CO_2e	900.28
All Other Indirect GHG emissions (Scope 3)[1]		
• Disposal of paper waste	tonnes CO_2e	7.39
• Freshwater processing	tonnes CO_2e	0.40
• Sewage processing	tonnes CO_2e	0.19
Total GHG emissions	tonnes CO_2e	960.79
Intensity[2]	tonnes CO_2e/m^2 operating area	0.06

Notes:

1. GHG emission data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, and "Global Warming Potential Values" from the IPCC Sixth Assessment Report, 2021 (AR6).

2. As at 30 September 2024, the Group had a total operation area of 16,427.29 m^2 in Hong Kong. The data is also used for calculating other intensity data.

Waste Management

In the delivery of beauty services, a significant amount of cosmetics and beauty products are used, resulting in the generation of both hazardous and non-hazardous waste. The waste is carefully segregated, collected, and disposed of appropriately.

Clinical waste generated from medical beauty services is classified as hazardous waste under Section 35 of the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) and must be properly treated and disposed of. Clinical waste includes used syringes, needles, cartridges, ampoules, sharp instruments, and swabs and surgical dressing. The waste was appropriately segregated, labelled, and disposed of in designated collection containers. These containers were subsequently collected by a licensed contractor for thermal incineration. Non-hazardous waste includes paper, printed matters, marketing materials, domestic waste for the beauty services and the packaging of used beauty products.

We have adopted several measures to reduce waste and increase employees' awareness of waste reduction, aiming to reduce waste generation. To reduce paper use, employees are encouraged to use digital technology and use recycled paper. In the future, we will continue to further reduce the waste generated through different potential initiatives.

The relevant data of the Reporting Period is as follows:

	Unit	2024
Total hazardous waste generated	tonnes	0.28
Intensity of hazardous waste	kg/m^2 operating area	0.02
Total non-hazardous waste generated	tonnes	449.50
Intensity of non-hazardous waste	kg/m^2 operating area	27.36

Use of Resources

The Group recognises the importance of using resources sustainably, in order to secure their availability in the future. The Group consistently promotes efficient resource utilisation by actively fostering environmental awareness among employees.

During the Reporting Period, the Company has been actively involved in promoting energy-saving and efficiency. We have demonstrated our commitment by signing up the Energy Saving Charter launched by the Environment and Ecology Bureau and Electrical and Mechanical Services Department. This step is aimed at encouraging our employees to join us in adopting energy-saving practices and showcasing our support for energy-saving initiatives.

Energy Consumption

Gasoline and electricity consumption is the Group's main energy consumption sources. To enhance energy efficiency, we promote conscious energy use within the Group. This includes:

- implementing energy-saving lightings;
- turning off idle lightings, computers, and other electrical appliances;
- reminding employees to use the window blinds in the office for heat insulation during summer season;
- advocating for the adoption of new energy-efficient and safe technologies in beauty equipment; and
- regularly maintaining the vehicles used by the Group to ensure optimal performance and enhance fuel efficiency.

To raise awareness among employees about energy efficiency, we have placed energy-saving slogans near power control switches to encourage sustainable practices. Employees are also encouraged to use public transport. In the future, the Group will continue to adopt any other potential energy conservation initiatives to increase resource use efficiency.

The energy consumption data for the Reporting Period is as follows:

	Unit	2024
Direct energy consumption (Gasoline)	MWh	179.83
Indirect energy consumption (Purchased electricity)	MWh	1,791.30
Total energy consumption	MWh	1,971.13
Intensity	MWh/m^2 operating area	0.12

Water Consumption

Due to water consumption being managed by property management companies at our headquarters and a number of beauty service centres and retail shops, the water consumption data at these locations is currently unavailable. We will enhance the data collection process to collect relevant data in the future if possible.

The Group continues to use solenoid valves in all the spas to prevent unnecessary water wastage. We will continue to study and adopt other potential initiatives in order to aim at further enhancing water usage efficiency in the future.

Due to the Group's business nature and operating locations, we have not encountered any significant issues in sourcing water suitable for use during the Reporting Period. The water consumption data for the Reporting Period is as follows:

	Unit	2024
Total water consumption	m^3	926.00
Intensity	m^3/m^2 operating area	0.06

Paper and Printed Materials Consumption

Reducing the consumption of paper and printed matters has been one of the environmental objectives of the Group. The consumption data for the Reporting Period is as follows:

	Unit	2024
Paper disposed of	tonnes	10.01
Paper recycled	tonnes	7.73

Use of Packaging Materials

Packaging materials such as plastic bottles, jars, cardboard, plastic pouches, foam, and carton boxes are utilised to ensure product safety during transportation. The Group is actively working to minimise packaging materials for beauty products and recycle plastic containers to support environmental protection. During the Reporting Period, the packaging materials consumption data of the Group in terms of finished products for the use in beauty services are as follows:

	Unit	2024
Total packaging materials consumption	tonnes	12.81
Intensity[1]	tonnes/revenue in million HK$	0.01

Note:

1. As at 30 September 2024, the Group's revenue is HK$983.22 million.

The Environment and Natural Resources

Given the nature of our business, the Group's environmental footprint does not have significant adverse impact. Nevertheless, we inevitably generate emissions including exhaust gases, GHG gases and waste.

We focus on meticulously managing our resource usage and tracking emissions. With increasing corporate responsibility demands, sustainability is at the forefront of our business strategy, aimed at creating lasting value for stakeholders. We are steadfast in following industry standards, abiding by pertinent environmental laws and regulations, optimising energy and resource utilisation, and minimising emissions and waste throughout our operations.

We will continue to adopt different policies and measures to further reduce our adverse impacts on the environment and promote environmental protection awareness.

Climate Change

The Group acknowledges that climate change affects every sector, including the beauty industry. We understand its significance for our business operations and sustainable growth. In addressing this issue, we endorse the 'Energy Saving Charter' and pledge to the following:

1. To maintain an average indoor temperature between 24–26°C during the summer months.
2. To switch off electrical appliances and systems when not in use and procure energy efficient appliances and systems.
3. To engage staff to adopt the above energy saving practices together.

We have identified climate change-related risks and opportunities that could impact our business operations through a comprehensive review of internal policies, analysis of current business conditions, stakeholder engagement, and examination of relevant government policies. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), climate-related risks are categorised into two groups: physical risks and transition risks. The Group will continue to assess and evaluate these risks and opportunities as we develop future management strategies to address climate change issues.

Physical Risks:

Description of Risk	Increased extreme weather events caused by climate change
Time Frame	Short-term
Potential Impact	Increased safety risks for our employees to travel back to work and temporary suspension of business.
Countermeasures	Establish emergency work plan in response to extreme weather events and to resume operation once the weather conditions are stable.

Transition Risks:

Description of Risk	Tightened regulatory restrictions or measures on climate disclosure
Time Frame	Medium-short term to long-term
Potential Impact	The need to invest more resources to comply with the regulations which impacts our operation, strategies planning and financial performance.
Countermeasures	Keep up and comply with latest regulations and conduct internal review on ESG-related measures regularly by engaging independent consultant for consultancy services.

Description of Risk	Increased customers' concerns on the environment causing increased demand on environmentally friendly products
Time Frame	Medium-short term
Potential Impact	The loss in customers and increased in resources investment on purchasing new products that are more environmentally friendly and sourcing advanced beauty equipment that are energy efficient and safe.
Countermeasures	• Actively minimising packaging materials and recycling plastic containers of beauty products; and • Advocate the use of new technologies in beauty equipment that are energy efficient and safe.

We will continue to explore the potential climate-related opportunities in the future, such as more energy efficient equipment and environmentally-friendly products.

SOCIAL

Employment

Human resources are considered the Group's most valuable assets, as they play a crucial role in engaging with customers during beauty service provision and retail operations. Our success relies heavily on their contributions and support, making our employees essential to the Group's sustainable development. We aim to protect the well-being and rights of our employees and are committed to providing our employees a safe and healthy work environment, together with different opportunities for training and development.

We strictly adhere to employment-related laws and regulations, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong); and
- Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong).

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the Group.

Employment Policy

The Group is committed to fostering a high-quality and diverse workforce by ensuring equal opportunities for all employees in recruitment, training and development, job advancement, remuneration and benefits. The Group has developed a comprehensive staff handbook to communicate essential information about employment laws, work ethics, benefits and welfare, training and development, occupational health and safety, and guidelines on code of conduct. It is an essential tool in helping to define the expectations of both the management and the employees, and to protect employees from unfair or inconsistent treatment and discrimination at work. As at 30 September 2024, the Group had a total of 836 employees in Hong Kong.

Number of Employees	Unit	2024
By Gender		
Male	person	48
Female	person	788
By Age Group		
18–25	person	54
26–35	person	226
36–45	person	263
46–55	person	183
56 and above	person	110
By Employment Type		
Full time	person	811
Part time	person	25

Dismissal

The Group maintains a strict policy against any form of unfair or illegitimate dismissal. While we reserve the right to terminate employment based on reasonable grounds, such as unsatisfactory performance, repeated violations of company policies, or organisational restructuring, we approach these situations with care. In accordance with the applicable Guides on Employment Ordinance, the Group has developed internal procedures that align with the relevant laws and terms of employment contracts. The employment contract explicitly outlines the provisions governing the termination of the employment relationship, providing clarity and transparency for all parties involved.

Employee Turnover Rate[1]	Unit	2024
By Gender		
Male	percentage	2
Female	percentage	4
By Age Group		
18–25	percentage	6
26–35	percentage	4
36–45	percentage	3
46–55	percentage	3
56 and above	percentage	5
By Geographical Region		
Hong Kong	percentage	4

Note:

1. Employee turnover rate refers to the average number of leavers in each category of each month within the reporting year divided by the monthly average number of employees in the corresponding category in the same period.

Anti-discrimination

Creating a fair and equitable workplace free from harassment and discrimination is vital for attracting and retaining talent. The Group has a zero-tolerance policy for discrimination, abuse, or misconduct in any form. We ensure our employees will not suffer from any discrimination or be deprived of any treatment due to gender, age, colour, place of origin, nationality, race, religion, sexual orientation, disability, marital status or any other reasons. Any misconduct shall be reported, and a comprehensive investigation will be conducted.

Benefit and Remuneration

To incentivize, attract and retain a productive and sustainable workforce, the Group offers a competitive remuneration package along with a variety of additional benefits. These include medical insurance, education and transportation allowances, discounts on beauty services and products, and birthday gifts, all aimed at recognising and supporting our employees. The objective of the Group's human resource management is to reward and motivate performing employees by reviewing their remuneration and welfare through the performance appraisal system. Performance appraisal is conducted annually based on employees' performance, skills and achievements.

Health and Safety

We prioritise the well-being of our employees by committing to a safe, healthy, and comfortable working environment. In compliance with occupational health and safety regulations, we provide regular training, instructions and resources to address health and safety issues. The operating procedures of the beauty equipment were provided through training to promote and enhance safety awareness and practices. By communicating workplace safety guidelines through training, safety briefings and notices, employees were able to identify, evaluate and control health and safety hazards. During the Reporting Period, the Group was not aware of any material non-compliance to health and safety related laws and regulations, including but not limited to Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong). There were no work-related fatalities for the past three years (including the Reporting Period).

	Unit	2024
Number of work injury cases	cases	6
Lost days due to work injury	days	524.5

The Group is also dedicated to the physical and mental health of its employees. We actively engage in open communication to offer support when needed. During the Reporting Period, we encouraged our staffs to attend the health talk about promoting smoke-free workplace organised by the property management to raise their health awareness. By promoting a culture of health and beauty, we strive to build and maintain a positive, happy, and sustainable workforce. To encourage employee engagement, we regularly organise various team-building activities or dinner parties such as monthly birthday parties or Christmas Party to connect our employees, social media are also used for better internal communication. The internal newsletter "奧思匯聚" has been used to cultivate a sense of belonging, promote work-life balance, and strengthen the bond between employees.

Employee Development and Training

Employee training and development are central to the Group's strategy for maintaining high standards of quality service. A crucial element of this strategy is providing employees with clear career paths and a variety of development opportunities. These opportunities encompass on-the-job training and workshops, enabling employees to enhance their abilities and professional skills. By providing such resources, the Group aims to foster continuous growth and improvement among its workforce, ultimately contributing to the delivery of high-quality services and goods.

To enhance employees' skills and professionalism, the Group has implemented comprehensive training programs that equip them with the necessary knowledge and tools to excel in their roles and advance their careers. A wide range of skills training ranging from people management, time management, communications, brand and product knowledge, equipment operating procedures, and sales technique were provided for employees' personal growth both professionally and intellectually.

	Unit	2024
Percentage of Employees Trained by Gender		
Male	percentage	15
Female	percentage	100
Percentage of Employees Trained by Employee Category		
Director and Senior Management	percentage	100
Supervisory and General Staff	percentage	95
Average Training Hours Completed per Employee by Gender		
Male	hours	3
Female	hours	5
Average Training Hours Completed per Employee by Employee Category		
Director and Senior Management	hours	20
Supervisory and General Staff	hours	5

Labour Standards

The Group strictly prohibits child labour and forced labour in all operations, ensuring full compliance with relevant laws and regulations regarding employment practices, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Employment of Children Regulations (Cap. 57B of the Laws of Hong Kong); and
- Immigration Ordinance (Cap. 115 of the Laws of Hong Kong).

We have adopted initiatives to ensure no child and forced labour is employed in the Group. Recruitment of employees was strictly abided by the hiring process and guidelines administered by the human resources department so that suitable talents were recruited in accordance with relevant labour laws, job requirements, and both the Group and the candidates' expectations for a fair, harmonious and sustainable workforce. In the rare cases where child or forced labours are found, their employment will be ended promptly and the hiring process will be reviewed for loopholes and enhancement.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to the prevention of child and forced labour, and there was no incidence of work stoppages, labour disputes, litigation, claims, administrative action or arbitration against the Group.

Supply Chain Management

The Group understands the importance of supply chain management in achieving sustainable development. During the Reporting Period, the Group had 39 major suppliers from Hong Kong, Mainland China and other overseas regions, and conducted a periodic review on 10 of the major suppliers. To select the most suitable suppliers for beauty products, equipment, and utensils, the Group has established a robust procurement management system. This system oversees the entire process, from selecting raw materials and ingredients to product formulation, packaging, quality management in factories, transportation, and sourcing the latest beauty equipment to meet diverse customer needs. Procurement is done in an honest, competitive, fair and transparent manner that delivers the highest quality product and cost performance. Manufacturers and material suppliers were chosen carefully based on documented procedures, due diligence checks, and selection criteria.

Sourcing suppliers requires a thorough evaluation process based on specific selection criteria. This includes assessing the supplier's reputation, financial standing, production facilities, quality management system, product range, compliance with regulatory requirements, operating capacity, product sample for testing, delivery assurance, training policy and procedure, price, and product recall policies. All suppliers have been assessed at the first time of purchase.

In addition, the Group takes into account environmental and social risks during the supplier selection process. We assess suppliers based on their environmental compliance, environmental-related certifications, use of environmentally friendly materials, and adherence to local construction requirements and local regulations for disposing of contaminated materials. We prioritise the suppliers who use environmentally friendly products as raw materials. Socially, the labour standards of the Group are also applicable to the suppliers such as any child labour or forced labour and other illegal employment measures are strictly prohibited.

The Group regularly identifies suitable new suppliers to control internal risks. If any potential material issues arise with suppliers, the Group will take appropriate measures to change suppliers.

Distribution of Suppliers by Geographical Region	Unit	2024
Hong Kong	supplier	12
Mainland China	supplier	2
Overseas Regions	supplier	25

Product Responsibility

As a responsible corporate entity, the Group is dedicated to ensuring that the quality of its products meets customer expectations while also safeguarding the personal data and privacy of its clients. We strictly comply with all applicable laws and regulations relating to product responsibility, including but not limited to:

- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong);
- Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong); and
- Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong).

We also abide by other applicable laws and regulations by other countries, regions or industry associations. During the Reporting Period, the Group did not violate any laws and regulations in relation to health and safety, advertising, labelling and privacy matters relating to products and services that had a significant impact on the Group.

Product and Service Quality

Maintaining high standards in product and service quality is essential to our business, especially as customers increasingly prioritise the safety and quality of beauty products and services. The Group strives to deliver innovative, high-quality beauty and wellness services and products to its customers. During the Reporting Period, as some beauty treatments required the use of beauty equipment, the equipment was maintained regularly by respective manufacturers to ensure safety and quality performance. Furthermore, refresher training and tests were conducted to ensure employees' quality performance. New and advanced beauty equipment was procured to meet customer needs and improve customer satisfaction. Considerable efforts were made on redefining service flow and upgrading customer experience to ensure personalised and attentive services were provided.

To enhance product safety and customer protection, we have implemented a product recall policy. We also provide designated websites and hotlines for various services and products, allowing customers to submit inquiries and feedback for service and improvement and staff training purposes. The Group performed annual assessment to evaluate the overall performance of its manufacturers and suppliers with documented reports for continuous improvement and cooperation.

During the Reporting Period, there were no significant complaints received regarding the Group's product quality and service delivery and no products were subject to recall for safety and health reasons.

Data Protection and Privacy

The Group prioritises the protection of privacy for its customers, employees, business partners, and suppliers by ensuring a secure data environment. We adhere to all relevant laws and regulations, maintaining the highest standards of information security and protection. To further safeguard sensitive information, employees are strictly prohibited from sharing the Group's business details with unauthorised parties. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning data protection and privacy that has a significant impact on the Group's operation. As stipulated in the Group's code of conduct on data confidentiality, all personal and business data collected during the Group's business activities were organised and secured properly. Computers and servers were protected by access passwords, employees were instructed of their responsibility to follow the confidentiality code on the access to information and to ensure the safekeeping of all personal, customer and business data, trade secrets and proprietary information.

Intellectual Property Rights

Additionally, the Group owns and registers several trademarks and domain names, which are vital to our brand, products, and corporate image. We adhere to intellectual property (the "IP") rights regulations to safeguard the interests of both the Group and its customers. The Group strictly prohibits employees from unauthorised personal use, taking, or copying of any assets belonging to the Group. Any instances of such behaviour, once identified, will result in disciplinary action or legal prosecution. The Group maintains a zero-tolerance policy towards any violations in this regard. The Group also requires its suppliers to comply with the IP rights for confidentiality and integrity. During the Reporting Period, there was no material infringement of the IP rights, and the Group has taken reasonable measures to prevent any infringement of its own IP rights and the IP rights of third parties.

Anti-Corruption

The Group is dedicated to upholding its corporate values by managing all business activities with the utmost standards of ethics, integrity, and fairness. We strictly comply with laws and regulations relating to the prevention of bribery, extortion, fraud, money laundering, and corruption, including but not limited to:

- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong):
- Competition Ordinance (Cap. 619 of the Laws of Hong Kong); and
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong).

As outlined in the Group's code of conduct, all directors and employees are required to:

- Adhere to ethical standards in all business activities.
- Refrain from requesting, obtaining, or providing benefits to customers, contractors, suppliers, or individuals with business relationships with the Group.
- Avoid conflicts between personal financial interests and their professional duties.
- Do not use authority to influence decisions or access valuable information from third parties for personal or financial gain.
- Promptly declare any business-related situations, such as conflicts of interest, criminal activities, or other unforeseen events that may harm the Group.

All non-compliance with the code or fraudulent practices are strictly forbidden. During the Reporting Period, no concluded legal cases regarding corruption were filed against the Group and its employees, and the Group did not violate any anti-corruption laws and regulations that had a significant impact on the operation of the Group.

Whistleblowing Policy

The Group emphasises the importance of ethical behaviours and encourages anonymous whistleblowing to report suspected corruption, misconduct, or unethical activities with strict confidentiality. All incidents and allegations of fraud will be assessed and thoroughly investigated. In the event of any illegal activities committed by any employee, the Group will notify the relevant law enforcement authorities and assist them in the investigation.

Anti-corruption Training

To assist employees in understanding our expectations and ethical standards, the Group provides clear instructions and guidelines regarding the applicable rules and regulations for detecting and preventing potential corruption, conflicts of interest, fraud, and malpractice. To further enhance employees' anti-corruption awareness, the Group plans to provide regular anti-corruption training and information to directors and employees in the future.

Community Investment

We recognise that sustainable community development is closely tied to our operations. Therefore, we take our corporate social responsibility seriously and actively contribute to society. The Group's community investment policy is designed to support environmental protection initiatives by actively participating in various kinds of environmental initiatives.

During the Reporting Period, we have participated in the "Chinese New Year Gifts Recycling Campaign" and "Mooncake Donation Campaign" organised by our property management and Food Grace to reduce food waste and support the cycling of resources. We have also participated in the "Red Packets Recycling Campaign 2024" and "Mooncake Box Recycling Program" organised by our property management and Greeners Action to reduce waste. We have also joined our property management to participate in the "Earth Hour 2024" in order to raise our employees' awareness on environmental protection.

The Group will continue to explore opportunities in contributing to charitable donations or community events to play a role in making a difference and strengthening the community.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Reference KPIs of the ESG Reporting Guide	Corresponding Sections of the ESG Report
A. Environmental	
A1. Emissions	Exhaust Gas Emissions Greenhouse Gas Emission Waste Management
A2. Use of Resources	Energy Consumption Water Consumption Paper and Printed Matters Consumption Use of Packaging Materials
A3. The Environment and Natural Resources	The Environment and Natural Resources
A4. Climate Change	Climate Change
B. Social	
Employment and Labour Practices	
B1. Employment	Employment Policy Dismissal Anti-discrimination Benefit and Remuneration
B2. Health and Safety	Health and Safety
B3. Development and Training	Employee Development and Training
B4. Labour Standards	Labour Standards
Operating Practices	
B5. Supply Chain Management	Supply Chain Management
B6. Product Responsibility	Product and Service Quality Data Protection and Privacy Intellectual Property Rights
B7. Anti-corruption	Whistleblowing Policy Anti-corruption Training
Community	
B8. Community Investment	Community Investment

Directors' Report

The directors of the Company present the Directors' Report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 30 September 2024.

PRINCIPAL ACTIVITIES

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 Mainland China. These include the brands of Glycel Skinspa, Oasis Spa, Oasis Beauty, Oasis Homme, Oasis Medical, Oasis Hair Spa, spa ph+ and AesMedic Clinic under the beauty services operations as well as the brands of Glycel, Eurobeauté, Erno Laszlo, DermaSynergy and HABA under the retail operations.

Details of the Company's principal subsidiaries as at 30 September 2024 are set out in note 38 to the consolidated financial statements.

BUSINESS REVIEW

The business review of these activities and a discussion on the Group's future business development and analysis of the Group's performance during the year ended 30 September 2024 using key performance indicators as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) can be found in the CEO's Statement, Management Discussion and Analysis, Environmental, Social and Governance Report, and Five-Year Financial Summary set out on pages 4 to 5, 6 to 10, 30 to 47 and 125 of this annual report respectively. Description of the principal risks and uncertainties facing the Company can be found throughout this annual report.

The Group is highly aware of the importance of environment protection and has not noted any material incompliance with all relevant laws and regulations in relation to its business, including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmental friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimise unnecessary waste. In addition, discussion on the Group's detailed environmental policies and performance and the stakeholder relationships are contained in the Environmental, Social and Governance Report on pages 30 to 47 of this annual report.

As far as the Board and senior management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the year ended 30 September 2024, there was no material breach of or non-compliance with applicable laws and regulations by the Group.

The Board has not identified any important events affecting the Group that have occurred since the end of the year.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 September 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 66 to 67.

The directors have recommended a final dividend of 2.0 HK cents per share for the year ended 30 September 2024 payable to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 10 February 2025. Subject to the passing of the relevant resolution at the forthcoming AGM, the final dividend will be payable on Tuesday, 25 February 2025.

SHARE CAPITAL

Details of the Company's authorised and issued share capital as at 30 September 2024 are set out in note 30 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group are set out in the consolidated statement of changes in equity to the consolidated financial statements on page 70.

INVESTMENT PROPERTIES

The values of the investment properties as at 30 September 2024 were measured using the fair value model, details of which are set out in note 19 to the consolidated financial statements.

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group are set out in note 20 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 125.

DIRECTORS AND DIRECTORS' SERVICES AGREEMENTS

The directors of the Company who held office during the year and up to the date of this annual report were:

EXECUTIVE DIRECTORS:

YU Kam Shui, Erastus
TAM Siu Kei
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.

In accordance with Articles 84(1) and (2) of the Articles of Association, Ms. Lai Yin Ping, Prof. Wong Lung Tak, Patrick and Mr. Wong Chun Nam, Duffy will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

The Company considers that Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire are independent pursuant to the criteria set out in the Listing Rules and that written annual confirmations of independence have been received from each of them.

Each of the executive directors except Mr. Tam Siu Kei has entered into a service agreement with the Company. Each agreement is for a period of three years commencing on 1 October 2001 and shall continue thereafter until terminated by either party giving to the other party not less than three calendar months' prior notice in writing. The appointment of Mr. Tam Siu Kei as an executive director does not have a fixed term.

All directors of the Company are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association.

None of the directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Company or any of the subsidiaries within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the interests or short positions of the directors and the 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 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 and underlying shares				Approximate percentage of issued share capital
			Personal interests	Family interests	Corporate interests	Total	
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	23,930,000 ordinary[(1)]	–	155,333,760 ordinary[(1)]	179,263,760 ordinary	26.34%
	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	510,000 ordinary[(4)]	–	1,110,000 ordinary	0.16%
Wong Lung Tak, Patrick	The Company	Beneficial owner	1,202,000 ordinary	–	–	1,202,000 ordinary	0.18%

Notes:

(1) 23,930,000 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 30 September 2024, 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 or 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

There is no share option scheme.

At no time during the year 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 year ended 30 September 2024.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, the following corporations and persons, 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, which/who were, 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 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%
Billion Well Holdings Limited(3)	Registered owner/ Personal interest	67,794,880	9.96%
Lai Yin Ling(3) & (4)	Interest of controlled corporations/ Corporate interest	99,885,760	14.68%

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 CEO.

(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 and 20% owned by her son, Mr. Tam Yue Hung.

(3) Billion Well Holdings Limited is a British Virgin Islands company beneficially owned by Ms. Lai Yin Ling.

(4) Ms. Lai Yin Ling is deemed to have interested in 99,885,760 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 30 September 2024, no other corporation which or person who (other than a director 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.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, which subsisted at the end of the year or at any time during the year ended 30 September 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

There were no competing business of which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 30 September 2024 which is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

RELATED PARTY TRANSACTION

Details of the related party transaction entered into by the Group during the year ended 30 September 2024 are set out in note 39 to the consolidated financial statements.

ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 30 September 2024.

MANAGEMENT CONTRACT

No contracts, other than a contract of service with any director of the Company or any person under the full employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 September 2024.

DONATIONS

For the year ended 30 September 2024, the Group had made charitable and other donations amounting to HK$50,000 (2023: HK$26,000).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 September 2024, the aggregate purchases attributable to the Group's five largest suppliers and largest supplier represented approximately 31.6% and 9.3% of the Group's total purchase respectively, whereas the aggregate turnover attributable to the Group's five largest customers was less than 1.7% of the Group's total revenue.

At all times during the year ended 30 September 2024, none of the directors, their close associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued shares) had an interest in any of the Group's five largest customers or suppliers.

DISTRIBUTABLE RESERVES

As at 30 September 2024, the distributable reserves of the Company amounted to approximately HK$61.3 million under the Companies Act (As Revised) of the Cayman Islands (2023: HK$91.9 million).

DIVIDEND POLICY

The Board considers sustainable returns to shareholders to be one of the main objectives. Stable dividend payment to shareholders is the primary objective of the Company. The basic policy is to pay interim and final dividends in each financial year.

Under the applicable laws of the Cayman Islands and the Articles of Association, all of the shareholders have equal rights to dividends and distributions. The Board determines the interim dividend and recommends the final dividend which requires the approval of shareholders. In addition to cash, dividends may be distributed in the form of shares. Any distribution of shares also requires the approval of shareholders.

Retained surplus is used to achieve further gains in corporate value. For this purpose, the Board makes effective use of retained surplus to strengthen the operating base and fund growth of established businesses and the development of new businesses. The Board takes into account the following factors when considering the declaration and payment of dividends:

- liquidity position of the Company;
- financial results;
- shareholders' interests;
- general business conditions and strategies;
- capital requirements;
- contractual restrictions on the payment of dividends by the Company to the shareholders or by the subsidiaries to the Company, if any;
- taxation considerations;
- possible effects on the creditworthiness;
- statutory and regulatory restrictions; and
- any other factors the Board may deem relevant.

The Company will not declare any dividend(s) where:

- there are reasonable grounds for believing that the Company is or would be, after a dividend payment, unable to pay its liabilities or discharge its obligations as and when they become due;
- pursuant to dividend decision date, the Company is insolvent or bankrupt or where, as a result of paying dividends, the Company would be rendered insolvent or bankrupt; or
- there is any other case set forth by any law.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity and financial resources position continues to remain strong. Its cash and bank deposits as at 30 September 2024 mainly denominated in Hong Kong dollars amounted to approximately HK$485.2 million (2023: HK$271.8 million). The Group generally finances its operation with internally generated resources.

As at 30 September 2024, the gearing ratio, expressed as a percentage of outstanding loan over total equity was nil (2023: nil).

The Group continues to follow the practice of prudent cash management. The Group has acceptable level of exposure on foreign currency fluctuations as most of its assets, receipts and payments are principally denominated in the functional currency of the relevant territories. The Group will continue to monitor its foreign exchange position and if necessary will hedge its foreign exchange exposure by entering forward foreign exchange contracts.

TREASURY POLICIES

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 30 September 2024. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 30 September 2024.

SIGNIFICANT INVESTMENTS

As at 30 September 2024, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group has no plan authorised by the Board for other material investments and capital assets as at 30 September 2024.

PLEDGE OF ASSET

There was no pledge of asset of the Group as at 30 September 2024. As at 30 September 2023, the carrying amount of Group's assets amounted to HK$225.0 million was pledged to secure a mortgage loan granted to the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liability as at 30 September 2024.

CAPITAL COMMITMENTS

The Group had capital commitments of HK$3.9 million as at 30 September 2024 (2023: HK$2.8 million).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, the Group employed 914 staff (2023: 1,073 staff). The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options (if any) may also be granted to eligible staff based on individual and Group performance. Other employee benefits include provident fund, insurance and medical cover, educational allowances and training programs.

The remuneration 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.

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

During the year ended 30 September 2024, the Company did not redeem any of the listed securities of the Company nor did the Company or its subsidiaries purchase or sell any such securities.

Neither the Company nor its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercised any rights in relation to convertible securities, options, warrants or similar rights during the year ended 30 September 2024.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and officers arising out of corporate activities. The level of the coverage is reviewed annually. The permitted indemnity provision is in force for the benefit of the directors as required by section 470 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) when the Directors' Report prepared by the directors of the Company is approved in accordance with section 391(1)(a) of the Companies Ordinance.

EQUITY-LINKED AGREEMENT

No equity-linked agreement that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at year ended 30 September 2024.

TAX RELIEF

The Company is not aware of any relief on taxation available to the shareholders by reason of their holdings of the shares of the Company. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the shares of the Company, they are advised to consult an expert.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association although there is no restriction against such rights under the Companies Act (As Revised) of the Cayman Islands.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the directors confirm that the Company has maintained the amount of public float as required under the Listing Rules during the year ended 30 September 2024.

AUDIT COMMITTEE

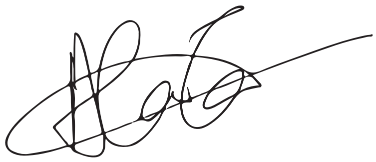
The Company's Audit Committee comprises Prof. Wong Lung Tak, Patrick, Mr. Wong Chun Nam, Duffy, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire who are the independent non-executive directors of the Company.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited Consolidated Financial Statements with management and discussed with the independent auditor on auditing, internal control and financial reporting matters in respect of the Consolidated Financial Statements.

INDEPENDENT AUDITOR

There were no change of independent auditor in the past three years. The accompanying consolidated financial statements have been audited by BDO Limited who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. Having approved by the Board upon the recommendation of the Audit Committee, a resolution to re-appoint BDO Limited as the independent auditor of the Company and to authorise the Board to fix the remuneration will be proposed at the forthcoming AGM.

On Behalf of the Board



TAM Siu Kei
Executive Director and CEO

Hong Kong, 16 December 2024

Independent Auditor's Report

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TO THE SHAREHOLDERS OF WATER OASIS GROUP LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Water Oasis Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 66 to 124, which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition from prepaid treatment services

Revenue from treatment services is recognised when such services were rendered to customers.

Prepaid treatment services not yet rendered, which are non-refundable, are deferred and reported as contract liabilities in the consolidated statement of financial position. Customers who may not exercise all of the contractual rights of the prepaid treatment services upon expiry of the service period and such unutilised portion are referred to as breakage.

The Group recognised an expected breakage amount as revenue in proportion to the historical pattern of rights exercised by the customers. Upon expiry of the service period, the unutilised portion of the prepaid treatment services are fully recognised in profit or loss. As at 30 September 2024, the carrying amount of contract liabilities for prepaid treatment services amounted to HK$573,098,000. During the year ended 30 September 2024, revenue recognised from treatment services amounted to HK$853,144,000.

The determination of the expected breakage amount involves management's estimate based on the Group's historical experience on the utilisation of prepaid treatment services. The recognition of revenue from the unutilised portion of the expired prepaid treatment services involves significant management's judgement to determine the appropriate timing when the obligations to provide services are considered to be expired based on the Group's forfeiture policy.

Related disclosures are included in notes 4, 5, 6 and 29 to the consolidated financial statements.

Our response:

Our key audit procedures included:

- obtaining an understanding of the Group's revenue recognition policy in relation to prepaid treatment services;
- with the assistance of our internal IT specialists, identifying and evaluating the relevant IT systems and the design, implementation and operating effectiveness of key internal controls over the revenue recognition from treatment services;
- utilising our internal IT specialists to assist us in assessing the calculation logic of revenue for treatment services and assessing the estimates used in the determination of expected breakage amount such as historical experience on the utilisation of prepaid treatment services;
- testing the data for the calculated expected breakage amount, on a sample basis, by examining the underlying service contracts and usage records; and
- checking the calculation of revenue recognised by examining the underlying sales contracts and related records on a sampling basis.

Impairment assessment of trademarks and goodwill

We identified the impairment assessment of trademarks and goodwill as a key audit matter due to the significant judgments involved in the management's impairment assessment process.

As disclosed in notes 17 and 18 to the consolidated financial statements, the carrying amount of trademarks and goodwill is HK$72,644,000 and HK$18,244,000 respectively as at 30 September 2024. As set out in note 5 to the consolidated financial statements, in deciding whether trademarks (being the intangible asset with indefinite useful life) and goodwill were impaired or not requires estimation of the recoverable amount of the cash generating units ("CGUs") to which the trademarks and goodwill had been allocated.

In estimating the value in use of the CGUs, key assumptions used by the management included the discount rate, budgeted sales and long-term growth rates in revenue, which take into account the CGU's past performance, management's expectation for the market developments and the financial forecast approved by management.

Our response:

Our key audit procedures included:

- understanding how the management perform impairment assessment including the estimation of future cash flows and key assumptions used;
- evaluating the appropriateness of the key assumptions used in the discounted cash flow calculation, including discount rate, budgeted sales and long-term growth rates through assessing the CGUs's past performance, management's expectation for the market developments and the future 5 years' financial forecast approved by the management;
- assessing the reasonableness of the discount rates applied in determining the value in use by benchmarking against market data;
- evaluating the potential impact of value in use based on the reasonably possible change of the key assumptions used; and
- evaluating the historical accuracy of the cash flows forecast by comparing historical cash flows forecast to the actual results in the current year and understanding the causes of any significant variances.

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter due to the significant judgments involved in determining the inputs used in the valuation.

As disclosed in note 19 to the consolidated financial statements, the carrying amount of investment properties is HK$192,041,000 as at 30 September 2024. The fair value of investment properties is based on valuation performed by an independent valuer.

These valuations involve a significant degree of judgment and estimation in respect of the key inputs including market rentals and market yield, taking into account the lettable units and type of the properties.

Our response:

Our key audit procedures included:

- obtaining an understanding of the valuation process including the valuation methodology and key inputs to the model with the involvement of the independent valuer;
- evaluating of the competence, capabilities and objectivity of the independent valuer; and
- discussing the valuation with the independent valuer, assessing the valuation methodology applied and reasonableness of the key unobservable inputs used, which included market rentals and market yield, by comparing with market data and the related lease information of the Group.

Independent Auditor's Report (Continued)

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

CHOI Kit Ying

Practising Certificate no. P07387

Hong Kong, 16 December 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	FOR THE YEAR ENDED 30 SEPTEMBER 2024 HK$'000	 2023 HK$'000
Revenue	6	**983,215**	976,572
Purchases and changes in inventories of finished goods		**(83,022)**	(95,653)
Other income	7	**17,053**	10,312
Impairment loss on goodwill		**(11,429)**	–
Loss on fair value change of investment properties		**(32,992)**	(1,035)
Other gains or losses	8	**(464)**	(1,798)
Staff costs	15	**(448,617)**	(426,896)
Depreciation		**(155,445)**	(160,607)
Finance costs	9	**(9,174)**	(9,032)
Other expenses	10	**(161,323)**	(151,895)
Profit before taxation		**97,802**	139,968
Taxation	11	**(29,715)**	(29,719)
Profit for the year	12	**68,087**	110,249
Profit for the year attributable to:			
Owners of the Company		**68,285**	110,320
Non-controlling interests		**(198)**	(71)
		68,087	110,249

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

	Notes	FOR THE YEAR ENDED 30 SEPTEMBER 2024 HK$'000	2023 HK$'000
Profit for the year		**68,087**	110,249
Other comprehensive income (expenses):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**2,049**	(669)
Total comprehensive income for the year		**70,136**	109,580
Total comprehensive income for the year attributable to:			
Owners of the Company		**70,334**	109,651
Non-controlling interests		**(198)**	(71)
		70,136	109,580
Earnings per share			
Basic	13	**10.0 HK cents**	16.2 HK cents
Diluted	13	**10.0 HK cents**	16.2 HK cents

Consolidated Statement of Financial Position

	Notes	AS AT 30 SEPTEMBER 2024 HK$'000	 2023 HK$'000
Non-current assets			
Intangible assets	17	**74,240**	74,727
Goodwill	18	**18,244**	29,673
Investment properties	19	**192,041**	225,033
Property and equipment	20	**82,460**	111,219
Right-of-use assets	21	**222,175**	316,024
Rental deposits	22	**31,815**	34,707
Deferred tax assets	32	**5,027**	5,221
		626,002	796,604
Current assets			
Inventories	23	**44,992**	46,594
Trade receivables	24	**16,535**	23,846
Contract costs	25	**47,953**	42,809
Prepayments		**8,212**	13,731
Other deposits and receivables		**16,670**	25,346
Current tax assets		**555**	2,066
Bank balances and cash	26	**485,156**	271,764
		620,073	426,156
Current liabilities			
Trade payables	27	**2,045**	3,784
Accruals and other payables		**95,283**	88,528
Provisions for reinstatement costs	28	**34,640**	31,630
Contract liabilities	29	**579,856**	491,632
Lease liabilities	21	**83,812**	103,966
Current tax liabilities		**35,096**	15,908
		830,732	735,448
Net current liabilities		**(210,659)**	(309,292)
Total assets less current liabilities		**415,343**	487,312

Consolidated Statement of Financial Position
(Continued)

	Notes	AS AT 30 SEPTEMBER 2024 HK$'000	2023 HK$'000
Capital and reserves			
Share capital	30	**68,055**	68,055
Reserves		**242,899**	244,023
Equity attributable to owners of the Company		**310,954**	312,078
Non-controlling interests		**602**	800
Total equity		**311,556**	312,878
Non-current liabilities			
Lease liabilities	21	**87,995**	159,192
Deferred tax liabilities	32	**15,792**	15,242
		103,787	174,434
		415,343	487,312

The consolidated financial statements on pages 66 to 124 were approved and authorised for issue by the Board of Directors on 16 December 2024 and are signed on its behalf by:

TAM Siu Kei
Executive Director and CEO

YU Kam Shui, Erastus
Executive Director

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Exchange reserve HK$'000	Capital reserve[a] HK$'000	Capital redemption reserve HK$'000	Statutory fund reserve[b] HK$'000	Other reserve[c] HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 October 2022	68,055	1,153	17,188	(1,766)	450	1,797	1,417	212,813	301,107	871	301,978
Profit for the year	–	–	–	–	–	–	–	110,320	110,320	(71)	110,249
Exchange differences arising on translation of foreign operations	–	–	(669)	–	–	–	–	–	(669)	–	(669)
Total comprehensive income for the year	–	–	(669)	–	–	–	–	110,320	109,651	(71)	109,580
2022 final dividend paid	–	–	–	–	–	–	–	(51,041)	(51,041)	–	(51,041)
2023 interim dividend paid	–	–	–	–	–	–	–	(47,639)	(47,639)	–	(47,639)
	–	–	–	–	–	–	–	(98,680)	(98,680)	–	(98,680)
At 30 September 2023	68,055	1,153	16,519	(1,766)	450	1,797	1,417	224,453	312,078	800	312,878
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**68,285**	**68,285**	**(198)**	**68,087**
Exchange differences arising on translation of foreign operations	**–**	**–**	**2,049**	**–**	**–**	**–**	**–**	**–**	**2,049**	**–**	**2,049**
Total comprehensive income for the year	**–**	**–**	**2,049**	**–**	**–**	**–**	**–**	**68,285**	**70,334**	**(198)**	**70,136**
2023 final dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(47,639)**	**(47,639)**	**–**	**(47,639)**
2024 interim dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(23,819)**	**(23,819)**	**–**	**(23,819)**
	–	**–**	**–**	**–**	**–**	**–**	**–**	**(71,458)**	**(71,458)**	**–**	**(71,458)**
At 30 September 2024	**68,055**	**1,153**	**18,568**	**(1,766)**	**450**	**1,797**	**1,417**	**221,280**	**310,954**	**602**	**311,556**

(a) The capital reserve represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to a group reorganisation on 23 January 2002 and the nominal value of the Company's shares issued in exchange thereof.

(b) As stipulated by the relevant laws and regulations in the People's Republic of China (the "PRC"), certain subsidiaries of the Company in the PRC are required to maintain a statutory fund reserve which is non-distributable. Transfer to this reserve fund are made out of profit after taxation of the subsidiaries' PRC statutory financial statements which are prepared in accordance with the accounting principles generally accepted in PRC.

(c) During the year ended 30 September 2015, the Group acquired an additional 25% equity interests of a non-wholly owned subsidiary 上海奧薇化妝品商貿有限公司("奧薇"). 奧薇 became a wholly-owned subsidiary of the Group after this acquisition. The difference between the consideration paid and the carrying value of the interest acquired amounting to HK$589,000 was charged to other reserve.

Consolidated Statement of Cash Flows

	FOR THE YEAR ENDED 30 SEPTEMBER	
	2024	2023
	HK$'000	HK$'000
Operating activities		
Profit before taxation	**97,802**	139,968
Adjustments for:		
Amortisation of intangible assets	**695**	697
Depreciation	**155,445**	160,607
Loss on fair value change of investment properties	**32,992**	1,035
Interest expenses on secured mortgage loan	**–**	42
Interest expenses on lease liabilities	**9,098**	8,984
Interest income on bank deposits	**(12,068)**	(5,012)
Interest income on rental deposits	**(1,090)**	(963)
Loss on disposal of financial assets at fair value through profit or loss	**–**	211
Net loss on disposal/write-off of property and equipment	**94**	858
Impairment loss on property and equipment	**10**	–
Impairment loss on right-of-use assets	**567**	–
Impairment loss on goodwill	**11,429**	–
Operating cash flows before movements in working capital	**294,974**	306,427
Decrease in inventories	**1,602**	25,699
Decrease/(increase) in trade receivables	**7,311**	(5,830)
Decrease in rental deposits, prepayments, other deposits and receivables	**19,176**	8,334
(Increase)/decrease in contract costs	**(5,144)**	432
(Decrease)/increase in trade payables	**(1,739)**	1,681
Increase in accruals and other payables	**6,853**	3,950
Increase in contract liabilities	**88,224**	1,435
Cash generated from operations	**411,257**	342,128
Hong Kong Profits Tax paid	**(3,103)**	(48,953)
The PRC Enterprise Income Tax paid	**(5,176)**	(5,619)
Withholding tax paid	**–**	(7,487)
Net cash from operating activities	**402,978**	280,069

Consolidated Statement of Cash Flows
(Continued)

	FOR THE YEAR ENDED 30 SEPTEMBER	
	2024	2023
	HK$'000	HK$'000
Investing activities		
Purchase of property and equipment	**(16,274)**	(28,974)
Interest received on bank deposits	**11,015**	4,655
Proceeds from disposal of property and equipment	**200**	93
Proceeds from disposal of financial assets at fair value through profit or loss	**–**	368
Additions in intangible assets	**(208)**	–
Net cash used in investing activities	**(5,267)**	(23,858)
Financing activities		
Dividends paid	**(71,458)**	(98,680)
Repayment of principal portion of lease liabilities	**(105,772)**	(107,166)
Repayment of interest portion of lease liabilities	**(9,083)**	(8,828)
Repayment of secured mortgage loan	**–**	(3,187)
Interest paid on secured mortgage loan	**–**	(42)
Net cash used in financing activities	**(186,313)**	(217,903)
Net increase in cash and cash equivalents	**211,398**	38,308
Cash and cash equivalents at beginning of the year	**271,764**	234,284
Effect of foreign exchange rate changes on cash and cash equivalents	**1,994**	(828)
Cash and cash equivalents at end of the year, represented by bank balances and cash	**485,156**	271,764

Notes to the Consolidated Financial Statements

1. GENERAL

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 annual 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 Mainland China.

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis as at 30 September 2024, 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.

3. CHANGES IN ACCOUNTING POLICIES

(a) New and amendments to standards that are mandatorily effective for the current year

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

HKFRS 17 (including the October 2020, February 2022 and August 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the new and amendments to standards does not have any significant impact on the Group's financial positions and performance for the current and prior years but affect the disclosure of accounting policies of the Group as described below.

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) New and amendments to standards that are mandatorily effective for the current year (Continued)

Amendments to HKAS 1 and HKFRS Practice Statement 2 — Disclosure of Accounting Policies

Amendments to HKAS 1 and HKFRS Practice Statement 2 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. HKFRS Practice Statement 2 "Making Materiality Judgements" provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies.

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

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

Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants and related amendments to Hong Kong Interpretation 5 (Revised)[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[4]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[3]

1 Effective for annual periods beginning on or after 1 January 2024.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2026.

4 Effective for annual periods beginning on or after 1 January 2027.

5 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstance indicate that there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each item of other comprehensive income (expense) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income and expenses of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or a group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or a group of cash-generating units).

Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at the contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Revenue from sales of skincare products is recognised at a point in time when control of the goods has been transferred, being when the goods have been delivered to the customers or at the point of purchase by customers.

Revenue from provision of treatment services in beauty salons, spas and medical beauty centres is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

Treatment services are usually sold on a prepaid basis. Payment received for the treatment services are recorded as contract liabilities at the time of receipt. Contract liabilities are non-refundable and customers may not utilise all of their contracted rights within the service period. Such unutilised service treatments are referred to as breakage. An expected breakage amount in contract liabilities is determined by historical experience and is recognised as revenue in proportion to the pattern of prepaid treatment services utilised by the customers. Any contract liabilities outstanding at the expiry of the goods or service period is fully recognised in profit or loss.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

Customer loyalty scheme

Sales of goods or services that result in award credits for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods or services supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to the fair value of the awards for which they could be redeemed. A contract liability for the award credits is recognised at the time of the initial sale transaction. Revenue is recognised when the award credits expired or are redeemed and the Group's obligations have been fulfilled.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in foreign currencies are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Property and Equipment

Property and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible Assets

Intangible assets acquired separately

Expenditure on acquiring licences for sale of products is carried at cost less accumulated amortisation and any accumulated impairment losses (see the accounting policy in respect of impairment on non-financial assets other than goodwill below). Amortisation for such licences is provided on a straight-line method over the licence period. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible Assets (Continued)

Intangible assets acquired in a business combination

Trademarks acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

The Group's trademarks are of indefinite useful lives. Accordingly, subsequent to initial recognition, trademarks are carried at cost less any accumulated impairment losses (see the accounting policy in respect of impairment on non-financial assets other than goodwill below).

Customer relationship and distributor agreement with finite useful lives acquired are carried at cost less accumulated amortisation and any accumulated impairment loss. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment on Non-financial assets other than Goodwill

(For impairment on goodwill, please see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of non-financial assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible Assets (Continued)

Impairment on Non-financial assets other than Goodwill (Continued)

Before the Group recognises an impairment loss for capitalised contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for capitalised contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The capitalised contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in a cash-generating unit (or a group of cash-generating units). The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of a cash-generating unit (or a group of cash-generating units). An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initial measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

During the period, the Group classified its financial assets at amortised cost as:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experiences, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment loss or reversal of impairment loss in profit or loss for all financial instruments by adjusting their carrying amounts, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classifications as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade payables and other payables are subsequently measured at amortised cost, using the effective interest method.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial Instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted-average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax and are recognised in profit or loss.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary difference.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its asset and liabilities. For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, and the Group has not rebutted this presumption.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled within twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Leases

(a) Accounting as a lessee

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for both of the choices. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be initially recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received and (iii) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meet the definition of an investment property, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(b) Accounting as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Utilisation pattern of treatment services

Customers who may not exercise all the contractual rights of the prepaid treatment services upon expiry of the service period, and such unutilised portion are referred to as breakage. The Group determines the expected breakage amount with reference to the Group's historical experience on the utilisation of prepaid treatment services. Estimates of expected breakage amount are sensitive to changes in circumstances and the Group's past experience may not be representative of the actual outcome in the future.

Impairment assessment of trademarks and goodwill

In deciding whether trademarks (being the intangible asset with indefinite useful life) and goodwill were impaired or not requires the determination of the recoverable amount of the cash generating unit ("CGU") to which the trademarks and goodwill had been allocated. It requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. The use of key assumptions include the discount rate, budgeted sales and long-term growth rates in revenue, which take into account the CGU's past performance, management's expectation for the market developments and the financial forecast approved by the management.

As at 30 September 2024, the carrying amount of trademarks and goodwill is HK$72,644,000 (2023: HK$72,644,000) and HK$18,244,000 (2023: HK$29,673,000) respectively. Details of the assumptions used in the recoverable amount calculation are disclosed in note 18.

Estimated impairment of trade receivables

The ECL assessment is based on the Group's historical default rates which takes into consideration the available forward-looking information that is reasonable and supportable without undue cost or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL assessment and the Group's trade receivables are disclosed in note 37 and note 24 respectively.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Valuation of investment properties

Investment properties were carried at its fair value in the consolidated statement of financial position as at 30 September 2024 and 2023. Details of which are disclosed in note 19 to these consolidated financial statements. The fair value of the investment properties were determined by reference to valuations conducted on these properties by an independent valuer using property valuation methodology which involve certain assumptions. In determining the fair value, the independent valuer considered key inputs including market rentals and market yield taking into account the lettable units and other similar types of properties under income approach.

Favourable or unfavourable changes to these assumptions may result in changes in the fair value of the Group's investment properties and corresponding adjustments to the gain or loss on fair value change of investment properties reported in the consolidated statement of profit or loss and the carrying amount of the investment properties included in the consolidated statement of financial position.

As at 30 September 2024, the carrying amount of investment properties is HK$192,041,000 (2023: HK$225,033,000), with a decrease in fair value of HK$32,992,000 (2023: HK$1,035,000) recognised in profit or loss for the year ended 30 September 2024.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Impairment of non-financial assets other than goodwill

Non-financial assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, and in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

6. REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

	Sales of skincare products		Provision of treatment services		Total	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
Time of revenue recognition						
At a point of time	**130,071**	152,815	**–**	–	**130,071**	152,815
Over time	**–**	–	**853,144**	823,757	**853,144**	823,757
	130,071	152,815	**853,144**	823,757	**983,215**	976,572

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

(i) Product segment — the sales of skincare products

(ii) Service segment — provision of treatment services in beauty salons, spas and medical beauty centres

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

	Product segment		Service segment		Elimination		Consolidated	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
Sales to external customers	**130,071**	152,815	**853,144**	823,757	**–**	–	**983,215**	976,572
Inter-segment sales	**21,894**	27,991	**–**	–	**(21,894)**	(27,991)	**–**	–
Total	**151,965**	180,806	**853,144**	823,757	**(21,894)**	(27,991)	**983,215**	976,572
Segment results	**11,868**	17,730	**219,562**	212,030	**–**	–	**231,430**	229,760
Other income							**17,053**	10,312
Impairment loss on goodwill (note)							**(11,429)**	–
Loss on fair value change of investment properties							**(32,992)**	(1,035)
Other gains or losses							**(464)**	(1,798)
Finance costs							**(9,174)**	(9,032)
Central administrative costs							**(96,622)**	(88,239)
Profit before taxation							**97,802**	139,968

Note: Impairment loss on goodwill of HK$11,429,000 is related to product segment.

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

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

6. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's other segment information for the year:

	Product segment		Service segment		Consolidated	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
OTHER SEGMENT INFORMATION						
Depreciation of property and equipment	**6,770**	14,910	**38,009**	32,393	**44,779**	47,303
Depreciation of right-of-use assets	**16,732**	35,714	**93,934**	77,590	**110,666**	113,304
Amortisation of intangible assets	**5**	7	**690**	690	**695**	697

The Company's executive directors make decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the Company's executive directors do not review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

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

The Group's revenue and information about its non-current assets by geographical location (excluding rental deposits, trademarks, goodwill and deferred tax assets) are detailed below:

	Revenue		Non-current assets	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Hong Kong and Macau	**922,614**	904,363	**493,042**	645,074
Mainland China	**60,601**	72,209	**5,230**	9,285
	983,215	976,572	**498,272**	654,359

No individual customers contributed over 10% of the total revenue of the Group for both years.

7. OTHER INCOME

	2024 HK$'000	2023 HK$'000
Interest income on bank deposits	**12,068**	5,012
Interest income on rental deposits	**1,090**	963
Rental income	**3,677**	3,502
PRC Value Added Tax credit	**–**	64
Others	**218**	771
	17,053	10,312

8. OTHER GAINS OR LOSSES

	2024 HK$'000	2023 HK$'000
Loss on disposal of financial assets at fair value through profit or loss	**–**	(211)
Net loss on disposal/write-off of property and equipment	**(94)**	(858)
Impairment loss on property and equipment	**(10)**	–
Impairment loss on right-of-use assets	**(567)**	–
Net exchange gain/(loss)	**164**	(838)
Others	**43**	109
	(464)	(1,798)

9. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest expenses on secured mortgage loan	–	42
Interest expenses on lease liabilities	**9,098**	8,984
Other interest expenses	**76**	6
	9,174	9,032

10. OTHER EXPENSES

	2024 HK$'000	2023 HK$'000
Auditor's remuneration	**1,719**	1,632
Amortisation of intangible assets	**695**	697
Bank charges	**41,855**	35,027
Marketing expenses	**22,365**	19,891
Expenses relating to		
— Short-term lease	**3,078**	6,116
— Low-value lease	–	781
— Variable lease payments not included in the measurement of lease liabilities	**4,324**	5,029
Building management fees, government rent and rates	**32,893**	31,898
Cleaning and laundry	**8,338**	7,416
Transportation, storage and delivery	**6,326**	6,648
Printing, stationery and administration	**10,503**	8,684
Utilities and telecommunications	**5,084**	5,556
Others	**24,143**	22,520
	161,323	151,895

11. TAXATION

	2024 HK$'000	2023 HK$'000
Current tax		
Hong Kong Profits Tax	**23,706**	24,453
The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT")	**5,050**	13,232
Under/(Over) provision in prior years	**208**	(425)
	28,964	37,260
Deferred tax	**751**	(7,541)
	29,715	29,719

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year after setting off available tax losses brought forward from prior years, except for one subsidiary of the Company which is a qualifying group entity under the two-tier profits tax rate regime.

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The PRC EIT was calculated at the statutory income tax rate of 25% (2023: 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.

11. TAXATION (Continued)

The taxation for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2024 HK$'000	2023 HK$'000
Profit before taxation	**97,802**	139,968
Tax at Hong Kong Profits Tax rate of 16.5% (2023: 16.5%)	**16,137**	23,095
Effect of different tax rates applied in other jurisdictions	**2,220**	2,033
Tax effect of income not taxable for tax purpose	**(1,901)**	(656)
Tax effect of expenses not deductible for tax purpose	**7,916**	1,180
Utilisation of tax losses previously not recognised	**(1,216)**	(727)
Tax effect of tax losses not recognised	**3,503**	2,350
Under/(Over) provision in prior years	**208**	(425)
Tax effect of withholding tax arising from undistributed profits of subsidiaries	**1,726**	1,378
Income tax at concessionary rate	**(165)**	(165)
Others	**1,287**	1,656
Taxation for the year	**29,715**	29,719

12. PROFIT FOR THE YEAR

	2024 HK$'000	2023 HK$'000
Profit for the year is stated at after charging:		
Impairment loss on:		
— Property and equipment	**10**	–
— Right-of-use assets	**567**	–
Depreciation:		
— Property and equipment	**44,779**	47,303
— Right-of-use assets	**110,666**	113,304
and after crediting:		
Interest income on bank deposits	**12,068**	5,012
Interest income on rental deposits	**1,090**	963
Rental income from investment properties net of negligible direct operating expenses	**3,677**	3,502

13. 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:

	2024 HK$'000	2023 HK$'000
Earnings for the purposes of basic and diluted earnings per share	**68,285**	110,320

	Number of shares	
	2024	2023
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**680,552,764**	680,552,764

14. DIVIDENDS

	2024 HK$'000	2023 HK$'000
Interim dividend declared and paid of 3.5 HK cents (2023: 7.0 HK cents) per share	**23,819**	47,639
Final dividend proposed after the end of the reporting period of 2.0 HK cents (2023: 7.0 HK cents) per share	**13,611**	47,639
	37,430	95,278

The 2024 final dividend of 2.0 HK cents (2023: 7.0 HK cents) per share, amounting to approximately HK$13,611,000 (2023: HK$47,639,000), has been proposed by the directors of the Company after the end of the reporting period and is subject to approval by the shareholders in the annual general meeting. This proposed dividend has not been recognised as a distribution during the year.

The aggregate amount of the dividends paid during the year ended 30 September 2024 were approximately HK$71,458,000 (2023: HK$98,680,000).

15. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2024 HK$'000	2023 HK$'000
Wages, salaries, bonuses and allowances	**434,110**	411,846
Pension costs — defined contribution plans	**14,507**	15,050
	448,617	426,896

16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' and Chief Executive's Emoluments

Name of directors and Chief Executive	Fees HK$'000	Basic salaries HK$'000	Bonuses HK$'000	Retirement benefit costs HK$'000	2024 Total emoluments HK$'000
Yu Kam Shui, Erastus[(4)(6)]	–	897	2,227	–	**3,124**
Yu Lai Chu, Eileen	–	897	2,227	–	**3,124**
Lai Yin Ping	–	897	2,227	–	**3,124**
Wong Lung Tak, Patrick[(1)(2)(3)(4)(5)(6)]	250	–	–	–	**250**
Wong Chun Nam, Duffy[(1)(2)(3)(4)(5)(6)]	250	–	–	–	**250**
Wong Chi Keung[(1)(2)(3)(4)(5)(6)]	250	–	–	–	**250**
Chan Chi Kau, Johnnie Casire[(1)(2)(3)(4)(5)(6)]	250	–	–	–	**250**
Tam Siu Kei[(7)]	–	5,275	3,500	18	**8,793**
Total for the year 2024	1,000	7,966	10,181	18	**19,165**

Name of directors and Chief Executive	Fees HK$'000	Basic salaries HK$'000	Bonuses HK$'000	Retirement benefit costs HK$'000	2023 Total emoluments HK$'000
Yu Kam Shui, Erastus[(4)(6)]	–	897	1,386	–	2,283
Yu Lai Chu, Eileen	–	897	1,386	–	2,283
Lai Yin Ping	–	897	1,386	–	2,283
Wong Lung Tak, Patrick[(1)(2)(3)(4)(5)(6)]	250	–	–	–	250
Wong Chun Nam, Duffy[(1)(2)(3)(4)(5)(6)]	250	–	–	–	250
Wong Chi Keung[(1)(2)(3)(4)(5)(6)]	250	–	–	–	250
Chan Chi Kau, Johnnie Casire[(1)(2)(3)(4)(5)(6)]	250	–	–	–	250
Tam Siu Kei[(7)]	–	4,945	1,386	18	6,349
Total for the year 2023	1,000	7,636	5,544	18	14,198

(1) Independent non-executive directors

(2) Members of the Company's Audit Committee

(3) Members of the Company's Remuneration Committee

(4) Members of the Company's Investment Advisory Committee

(5) Members of the Company's Nomination Committee

(6) Members of the Company's Disclosure Committee

(7) CEO and executive director

16. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five Highest Paid Individuals

Of the five individuals with the highest emoluments in the Group, one (2023: one) were directors of the Company. Emoluments payable to the five individuals during the year were as follows:

	2024 HK$'000	2023 HK$'000
Basic salaries and other allowances	**21,909**	18,110
Bonuses	**3,500**	5,386
Retirement benefit costs	**54**	86
	25,463	23,582

Their emoluments fell within the following bands:

	Number of individuals	
	2024	2023
Emolument bands		
HK$3,000,001 — HK$3,500,000	**–**	1
HK$3,500,001 — HK$4,000,000	**–**	1
HK$4,000,001 — HK$4,500,000	**4**	–
HK$5,000,001 — HK$5,500,000	**–**	2
HK$6,000,001 — HK$6,500,000	**–**	1
HK$8,500,001 — HK$9,000,000	**1**	–
	5	5

For both years, no directors waived any emoluments and no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group and compensation for loss of office.

17. INTANGIBLE ASSETS

	Licence fees HK$'000	Trademarks HK$'000	Customer relationship HK$'000	Distributor agreement HK$'000	Total HK$'000
COST					
At 1 October 2022 and 30 September 2023	27	73,154	3,631	4,226	81,038
Additions	208	–	–	–	208
Write-off	(27)	–	–	–	(27)
At 30 September 2024	208	73,154	3,631	4,226	81,219
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 October 2022	15	510	863	4,226	5,614
Charged for the year	7	–	690	–	697
At 30 September 2023	22	510	1,553	4,226	6,311
Charged for the year	**5**	**–**	**690**	**–**	**695**
Eliminated on write-off	**(27)**	**–**	**–**	**–**	**(27)**
At 30 September 2024	**–**	**510**	**2,243**	**4,226**	**6,979**
CARRYING VALUE					
At 30 September 2024	**208**	**72,644**	**1,388**	**–**	**74,240**
At 30 September 2023	5	72,644	2,078	–	74,727

17. INTANGIBLE ASSETS (Continued)

Notes:

(a) Expenditure on acquiring licences for sale of products is capitalised. The Group's licence fees have definite useful lives and are amortised over respective licence period.

(b) The Group's trademarks have finite legal lives but are renewable upon expiry at minimal costs. The directors of the Company are of the opinion that the Group would renew the trademarks continuously and has the ability to do so. Various studies including product life cycle, market, competitive and environmental trends, and brand extension opportunities have been performed by the management of the Group, which support that the trademarks have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

As a result, the trademarks are considered by the management of the Group as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The trademarks will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired.

The recoverable amount of the trademarks with carrying amount of HK$13,748,000 as at 30 September 2024 and 2023, has been assessed together with the goodwill, other intangible assets, property and equipment, right-of-use assets and contract costs acquired on the same business combination during the year ended 30 September 2021, as set out in note 18. The customer relationship and distributor agreement have definite useful life and are amortised on a straight-line basis over a period of approximately 5 years and 1 year respectively.

The remaining trademarks of HK$58,896,000 as at 30 September 2024 and 2023 is related to a specific product and service line acquired during the year ended 30 September 2010. The recoverable amount of the remaining trademarks has been assessed together with the goodwill, other intangible assets, property and equipment, right-of-use assets and contract costs acquired on those business combinations, as set out in note 18.

18. GOODWILL

	HK$'000
COST	
At 1 October 2022, 30 September 2023 and 2024	**30,159**
ACCUMULATED IMPAIRMENT	
At 1 October 2022 and 30 September 2023	**486**
Impairment loss recognised (note (a))	**11,429**
At 30 September 2024	**11,915**
CARRYING VALUE	
At 30 September 2024	**18,244**
At 30 September 2023	**29,673**

For the year ended 30 September 2024, goodwill of HK$18,244,000 (2023: HK$29,673,000) is attributable to the following CGUs.

(a) The goodwill of CGU1A and CGU1B arising on the acquisition of subsidiaries during the year ended 30 September 2021 was amounted to HK$11,429,000.

The CGU1A and CGU1B owns the distribution rights of a brand products in Hong Kong and Mainland China, respectively. According to the terms of the distribution agreement between the Group and the supplier, the distribution right in Mainland China will not be renewed upon the expiration of the distribution agreement. The management of the Group concluded there was an indication for impairment and conducted impairment assessment on carrying amounts of CGU1A and CGU1B by assessing the recoverable amounts of the CGUs based on value in use calculation, which is determined to be higher than its fair value less cost of disposal.

The value in use calculation of CGU1A uses cash flow projections based on financial budgets approved by management covering a 5-year period at a pre-tax discount rate of 15.0% (2023: 21.8%). Revenue growth rate in the first five years and long-term growth rate in revenue beyond 5-year period of zero are used in CGU1A's cash flows. The value in use calculation of CGU1B uses cash flow projections based on financial budgets approved by management covering a 1-year period at a pre-tax discount rate of 15.0% (2023: 5-year period at a pre-tax discount rate of 21.8%). Revenue growth rate in the covering 1-year period of zero is used in CGU1B's cash flows.

(b) The goodwill of CGU2 arising on the acquisition of subsidiaries during the year ended 30 September 2021 was amounted to HK$13,374,000.

The CGU2 includes the trademarks of HK$13,748,000 as set out in note 17 which was acquired in the same business combination during the year ended 30 September 2021. As at 30 September 2024, the recoverable amount of the CGU2 has been determined based on a value in use calculation and this was performed with the assistance of an independent qualified professional valuer. The value in use calculation of CGU2 uses cash flow projections based on financial budgets approved by management covering a 5-year period at a pre-tax discount rate of 17.1% (2023: 19.4%). Revenue growth rate ranged from 2.5% to 5.5% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.5% are used in the CGU2's cashflows.

18. GOODWILL (Continued)

(c) The goodwill of CGU3 arising on the acquisition of subsidiaries during the year ended 30 September 2021 was amounted to HK$1,858,000.

As at 30 September 2024, the recoverable amount of the CGU3 has been determined based on a value in use calculation and this was performed with the assistance of an independent qualified professional valuer. The value in use calculation of CGU3 uses cash flow projections based on financial budgets approved by management covering a 5-year period at a pre-tax discount rate of 17.5% (2023: 20.7%). Revenue growth rate ranged from 2.5% to 5.5% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.5% are used in the CGU3's cashflows.

(d) The goodwill of CGU4 arising on the acquisition of subsidiaries during the year ended 30 September 2010 was amounted to HK$273,000.

CGU4 includes the trademarks of HK$5,338,000 as set out in note 17 which were acquired in the same business combination during the year ended 30 September 2010. As at 30 September 2024, the recoverable amount of the CGU4 has been determined based on a value in use calculation. The value in use calculation of CGU4 uses cash flows projections based on financial budgets approved by management covering a 5-year period at a pre-tax discount rate of 16.6% (2023: 19.0%). Revenue growth rate ranged from 3.0% to 8.0% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.5% are used in the CGU4's cashflows.

(e) The goodwill of CGU5 arising on the acquisition of subsidiaries during the year ended 30 September 2010 was amounted to HK$2,739,000.

CGU5 includes the trademarks of HK$53,558,000 as set out in note 17 which were acquired in the same business combination during the year ended 30 September 2010. As at 30 September 2024, the recoverable amount of the CGU5 has been determined based on a value in use calculation. The value in use calculation of CGU5 uses cash flows projections based on financial budget approved by management covering a 5-year period at a pre-tax discount rate of 16.6% (2023: 19.0%). Revenue growth rate ranged from 3.0% to 8.0% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.5% are used in the CGU5's cashflows.

Based on the results of the assessment, the Group recognised impairment loss of HK$12,006,000 related to the CGU1A and CGU1B. Goodwill related to CGU1A and CGU1B of HK$11,429,000 has been fully impaired and impairment amounting to HK$10,000 and HK$567,000 have been recognised in respect of property and equipment and right-of-use assets related to CGU1A and CGU1B respectively to the extent that the carrying amount of the assets are not reduced below the highest of its fair value less costs of disposal, its value in use and zero.

Except for CGU1A and CGU1B, management believes that any reasonably possible change in any of the key assumptions of cash flow projections would not cause the respective carrying amounts of these CGUs to exceed their recoverable amounts. The management of the Company has determined that there are no other impairment required to be recognised for its CGUs containing goodwill or trademarks with indefinite useful lives.

19. INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
FAIR VALUE		
At the beginning of the year	**225,033**	226,068
Decrease in fair value recognised in the consolidated statement of profit or loss and other comprehensive income	**(32,992)**	(1,035)
At the end of the year	**192,041**	225,033

The Group's investment properties at their fair values are analysed as follows:

	2024 HK$'000	2023 HK$'000
In Hong Kong	**192,041**	225,033

The fair value of the Group's investment properties at G/F, 1-5/F, 18 Cochrane Street, Central, Hong Kong as at 30 September 2024 and 2023 has been arrived at on the basis of a valuation carried out on that date by Dynasty Premium Asset Valuation & Real Estate Consultancy Limited, an independent valuer not connected with the Group.

All of the Group's property interests held to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties, measured using the fair value model.

The fair value is determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The market yield is determined by reference to the discount rates derived from similar commercial properties in Hong Kong. There has been no change from the valuation methodology used in the prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Following are the key inputs used in valuing the investment properties as at 30 September 2024 and 2023:

		Fair value at				Range of inputs		
Category	Fair value hierarchy	2024 HK$'000	2023 HK$'000	Valuation methodology	Key inputs	2024	2023	Relationship of inputs to fair value
Commercial properties	Level 3	**192,041**	225,033	Income approach	Monthly market rental per square foot	**HK$27 to HK$252**	HK$27 to HK$323	The higher the market rental, the higher the fair value
					Market yield	**3.3% to 5.3%**	2.7% to 3.7%	The lower the market yield, the higher the fair value

There were no transfers into or out of Level 3 during the year.

20. PROPERTY AND EQUIPMENT

	Leasehold improvements HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Machinery and equipment HK$'000	Office equipment, furniture and fixtures HK$'000	Total HK$'000
Cost						
At 1 October 2022	204,321	4,791	12,579	120,847	12,677	355,215
Additions	13,864	1,000	766	12,883	461	28,974
Disposals	(1,935)	–	–	(331)	(14)	(2,280)
Write-off	(6,226)	–	(79)	(1,752)	(184)	(8,241)
Exchange realignment	–	–	(3)	(63)	(4)	(70)
At 30 September 2023	210,024	5,791	13,263	131,584	12,936	373,598
Additions	**9,239**	**–**	**992**	**5,334**	**709**	**16,274**
Disposals	**(2,386)**	**(734)**	**–**	**(1,372)**	**(125)**	**(4,617)**
Write-off	**(9,341)**	**–**	**(2,581)**	**(5,221)**	**(384)**	**(17,527)**
Exchange realignment	**74**	**–**	**3**	**51**	**3**	**131**
At 30 September 2024	**207,610**	**5,057**	**11,677**	**130,376**	**13,139**	**367,859**
Accumulated depreciation and impairment						
At 1 October 2022	109,443	4,791	11,060	89,748	9,686	224,728
Provided for the year	32,394	28	894	13,237	750	47,303
Eliminated on disposals	(1,935)	–	–	(99)	(1)	(2,035)
Eliminated on write-off	(6,197)	–	(77)	(1,116)	(145)	(7,535)
Exchange realignment	(15)	–	(3)	(60)	(4)	(82)
At 30 September 2023	133,690	4,819	11,874	101,710	10,286	262,379
Provided for the year	**31,598**	**333**	**932**	**11,083**	**833**	**44,779**
Impairment loss	**–**	**–**	**(6)**	**–**	**(4)**	**(10)**
Eliminated on disposals	**(2,289)**	**(734)**	**–**	**(1,239)**	**(125)**	**(4,387)**
Eliminated on write-off	**(9,340)**	**–**	**(2,577)**	**(5,213)**	**(333)**	**(17,463)**
Exchange realignment	**51**	**–**	**2**	**46**	**2**	**101**
At 30 September 2024	**153,710**	**4,418**	**10,225**	**106,387**	**10,659**	**285,399**
Carrying value						
At 30 September 2024	**53,900**	**639**	**1,452**	**23,989**	**2,480**	**82,460**
At 30 September 2023	76,334	972	1,389	29,874	2,650	111,219

The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the unexpired periods of the related leases
Motor vehicles	$33^1/_3$%
Computer equipment	$33^1/_3$%
Machinery and equipment	$16^2/_3$% to 20%
Office equipment, furniture and fixtures	$16^2/_3$% to 20%

21. LEASES

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	2024 HK$'000	2023 HK$'000
Leasehold land and buildings	**222,175**	316,024

	2024 HK$'000	2023 HK$'000
At 1 October	**316,024**	343,014
Additions	**17,560**	27,343
Depreciation	**(110,666)**	(113,304)
Early termination/lease modification	**(220)**	59,067
Impairment loss	**(567)**	–
Exchange adjustment	**44**	(96)
At 30 September	**222,175**	316,024

Lease liabilities

The present value of future lease payments are analysed as follows:

	2024 HK$'000	2023 HK$'000
Current liabilities	**83,812**	103,966
Non-current liabilities	**87,995**	159,192
	171,807	263,158

During the year ended 30 September 2024, the total cash outflow for leases were HK$122,257,000 (2023: HK$127,920,000).

22. RENTAL DEPOSITS

These represent the deposits paid by the Group for certain of its leased properties.

23. INVENTORIES

	2024 HK$'000	2023 HK$'000
Finished goods	**44,992**	46,594

24. TRADE RECEIVABLES

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

	2024 HK$'000	2023 HK$'000
0 to 30 days	**11,276**	17,369
31 to 60 days	**1,562**	1,996
61 to 90 days	**880**	1,177
91 to 120 days	**1,021**	1,488
121 to 150 days	**1,259**	1,134
151 to 180 days	**488**	628
Over 180 days	**49**	54
	16,535	23,846

As at 30 September 2024, trade receivables from contracts with customers amounted to HK$16,535,000 (2023: HK$23,846,000).

As at 30 September 2024, included in the Group's trade receivable balances were debtors with aggregate carrying amount of HK$29,000 (2023: HK$52,000) which has been past due 90 days or more and is not considered as in default. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables for the year ended 30 September 2024 are set out in note 37.

25. CONTRACT COSTS

	2024 HK$'000	2023 HK$'000
Incremental costs to obtain contracts	**47,953**	42,809

Contract costs capitalised as at 30 September 2024 and 2023 relate to the incremental sales commissions paid to sales staff whose selling activities resulted in customers entering into contracts for the treatment services in beauty salons, spas and medical beauty centres which the services are not rendered by the Group at the reporting date.

Contract costs are recognised as part of staff cost in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related service is recognised. The amount of capitalised costs recognised in profit or loss during the year was HK$90,402,000 (2023: HK$85,959,000). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year.

26. BANK BALANCES AND CASH

Bank balances are mainly denominated in the functional currencies of respective group entities, which carry interest at 2.5% (2023: 2.1%) per annum.

27. TRADE PAYABLES

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

	2024 HK$'000	2023 HK$'000
0 to 30 days	**2,029**	3,217
31 to 60 days	**3**	485
Over 60 days	**13**	82
	2,045	3,784

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

28. PROVISIONS FOR REINSTATEMENT COSTS

The provision for reinstatement costs represents management's best estimate of the Group's liabilities of the costs of dismantling and removing the leasehold improvements and restoring the leased premises which they are currently located back to their original state of condition if and when the Group vacates these leased properties.

29. CONTRACT LIABILITIES

	2024 HK$'000	2023 HK$'000
Sales of skincare products	**6,758**	6,225
Provision of treatment services in beauty salons, spas and medical beauty centres	**573,098**	485,407
	579,856	491,632

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Revenue recognised that was included in the contract liabilities balance at the beginning of the years are as follows:

	2024 HK$'000	2023 HK$'000
Sales of skincare products	**6,103**	3,993
Provision of treatment services in beauty salons, spas and medical beauty centres	**443,936**	441,355

30. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 October 2022, 30 September 2023, 1 October 2023 and 30 September 2024	2,000,000,000	200,000
Issued and fully paid:		
At 1 October 2022, 30 September 2023, 1 October 2023 and 30 September 2024	680,552,764	68,055

31. PENSION OBLIGATIONS

Defined Contribution Plans

The Group participates a Mandatory Provident Fund ("MPF") Scheme for all qualifying employees employed in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of HK$1,500 per month as a mandatory contribution or 5% of the relevant monthly payroll costs to the MPF Scheme.

The employees employed in the Mainland China are members of the state-managed retirement benefit schemes operated by the PRC government. The Mainland China subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

As at 30 September 2024 and 2023, there was no forfeited contribution under the Defined Contribution Schemes available which may be used by the Group to reduce the existing level of contributions, nor any contribution under the Defined Contribution Schemes was forfeited by the Group during these two years. The contributions are expensed when employees have rendered services entitling them to the contributions.

32. DEFERRED TAXATION

The following are the deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000	Decelerated tax depreciation HK$'000	Intangible assets HK$'000	Undistributed profits of Mainland China subsidiaries HK$'000	Contract liabilities HK$'000	Total HK$'000
At 1 October 2022	(5,305)	973	(9,718)	(8,095)	4,678	(17,467)
Exchange realignment	–	–	–	56	(151)	(95)
Credited (charged) to the consolidated statement of profit or loss and other comprehensive income	1,711	(397)	–	6,109	118	7,541
At 30 September 2023	(3,594)	576	(9,718)	(1,930)	4,645	(10,021)
Exchange realignment	**–**	**–**	**–**	**(115)**	**122**	**7**
(Charged) credited to the consolidated statement of profit or loss and other comprehensive income	**1,291**	**1,064**	**–**	**(1,726)**	**(1,380)**	**(751)**
At 30 September 2024	**(2,303)**	**1,640**	**(9,718)**	**(3,771)**	**3,387**	**(10,765)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	2024 HK$'000	2023 HK$'000
Deferred tax assets	**5,027**	5,221
Deferred tax liabilities	**(15,792)**	(15,242)
	(10,765)	(10,021)

At the end of the reporting period, the Group had unused tax losses of approximately HK$147,711,000 (2023: HK$158,798,000) available for offset against future profits. No deferred tax asset had been recognised as it is not probable that there is future profit streams for both years ended 30 September 2024 and 2023 against which the unused tax losses can be utilised.

At the end of the reporting period, tax losses of approximately HK$1,629,000 (2023: HK$6,266,000) from non-Hong Kong incorporated subsidiaries will be expired starting from 2025 up to the end of 2029 (2023: starting from 2024 up to the end of 2028). The remaining portion of unused tax losses may be carried forward indefinitely.

33. PLEDGE OF ASSETS

At the end of the reporting period, the carrying value of the Group's asset which was pledged to secure a mortgage loan is as follows:

	2024 HK$'000	2023 HK$'000
Investment properties	–	225,033

34. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

(a) Capital Commitments

	2024 HK$'000	2023 HK$'000
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the consolidated financial statements	**3,858**	2,824

(b) Commitments and Arrangements under Operating Leases

At the end of the reporting period, the Group had total future aggregate minimum lease receipts under non-cancellable operating leases in respect of investment properties:

As lessors **Rental receipts**	2024 HK$'000	2023 HK$'000
Not later than 1 year	**3,438**	2,468
More than 1 year but not later than 2 years	**2,760**	678
More than 2 years but not later than 3 years	**1,276**	–
	7,474	3,146

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

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payable, included in accruals and other payables HK$'000	Secured mortgage loan HK$'000	Dividend payable HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 October 2022	–	3,187	–	286,335	289,522
Additions to lease liabilities	–	–	–	27,048	27,048
Lease modifications	–	–	–	57,027	57,027
Interest expenses on secured mortgage loan	42	–	–	–	42
Interest expenses on lease liabilities	–	–	–	8,984	8,984
Exchange adjustment	–	–	–	(242)	(242)
Financing cash flows	(42)	(3,187)	(98,680)	(115,994)	(217,903)
Dividend declared	–	–	98,680	–	98,680
At 30 September 2023	–	–	–	263,158	263,158
Additions to lease liabilities	**–**	**–**	**–**	**14,594**	**14,594**
Early termination	**–**	**–**	**–**	**(220)**	**(220)**
Interest expenses on lease liabilities	**–**	**–**	**–**	**9,098**	**9,098**
Exchange adjustment	**–**	**–**	**–**	**32**	**32**
Financing cash flows	**–**	**–**	**(71,458)**	**(114,855)**	**(186,313)**
Dividend declared	**–**	**–**	**71,458**	**–**	**71,458**
At 30 September 2024	**–**	**–**	**–**	**171,807**	**171,807**

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital, share premium, reserves and retained profits as disclosed in the consolidated statement of changes in equity.

The directors of the Company review the capital structure semi-annually. As part of this review, the directors of the Company assess the annual budget prepared by management of the Company. Based on the proposed annual budget, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The directors of the Company also balance its overall capital structure through the payment of dividends, new share issues, as well as the issue of new debt or the redemption of existing debt.

37. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

	2024 HK$'000	2023 HK$'000
Financial assets		
Amortised cost	**548,495**	340,168
Financial liabilities		
Amortised cost	**182,588**	281,992

(b) Financial Risk Management Objectives and Policies

The Group's financial instruments include trade receivables, other receivables, deposits, bank balances, trade payables, other payables and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risks (currency risk and interest rate risk) and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit Risk and Impairment Assessment

As at 30 September 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(i) Credit Risk and Impairment Assessment (Continued)

Trade receivables arising from contracts with customers

The Group has no significant concentration of customer credit risk, with exposure spread over a number of debtors. A large portion of the Group's revenue are on cash or credit card sales, with the trade receivables primarily retained by banks/credit card companies. The credit risks on trade receivables from banks/credit card companies are limited because the counterparties are banks/financial institutions with high external credit ratings. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Company performs impairment assessment under ECL model of HKFRS 9 on trade balances individually.

The Group's concentration of customer credit risk by geographical locations is mainly in Hong Kong and Mainland China which accounted for 97% (2023: 96%) of the total trade receivables as at 30 September 2024.

Other receivables and deposits

The credit risk of other receivables and deposits are managed through an internal process. The credit quality of each counterparty is investigated before an advance is made. The Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. In addition, the Group performs impairment assessment under ECL model of HKFRS 9 on the outstanding balances.

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(i) Credit Risk and Impairment Assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
				2024 HK$'000	2023 HK$'000
Financial assets at amortised cost					
Trade receivables	N/A	low risk (note (a))	Lifetime ECL	16,535	23,846
Other receivables	N/A	low risk (note (b))	12m ECL	3,086	1,958
Deposits	N/A	low risk (note (b))	12m ECL	44,369	43,347
Bank balances	Aa2-A3	N/A	12m ECL	484,505	271,017

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(i) Credit Risk and Impairment Assessment (Continued)

Notes:

(a) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed individually. The directors of the Company consider the counterparties with good credit worthiness with reference to external credit rating, historical observed default rates over the expected life and adjusted for forward-looking information that is available without undue cost or effort. In the opinion of the directors of the Company, the estimated loss rates of these counterparties are not significant and the Group assessed that the ECL on these balances are insignificant.

(b) For the purpose internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. As at 30 September 2024 and 2023, none of the balance is past due. In the opinion of the directors of the Company, the estimated loss rates of these counterparties are not significant and the Group assessed that the ECL on these balances is insignificant.

No trade receivables was written off during the year ended 30 September 2024 and 2023.

(ii) Market Risks

Currency Risk

The functional currency of the Company's principal subsidiaries is either HK$ or Renminbi. While most of the Group's operations are transacted in the functional currency of the respective group entities, the Group undertakes certain transactions denominated in foreign currencies. At the end of the reporting period, certain bank balances, trade receivables, other receivables, trade payables and other payables of the Group are denominated in foreign currencies. The Group manages its foreign currency risk by performing regular reviews of the Group's net foreign exchange exposure.

At the end of the reporting period, the carrying amounts of the Group's major monetary assets and monetary liabilities denominated in currency other than the functional currency of the relevant group entities are as follows:

	2024 HK$'000	2023 HK$'000
Assets		
United States Dollar ("US$")	**393**	569
Liabilities		
US$	**233**	1,379

No sensitivity analysis is performed since HK$ is pegged to US$, relevant foreign currency risk is minimal.

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(ii) Market Risks (Continued)

Interest Rate Risk

The Group's exposure to changes in interest rates is mainly attributable to its bank balances. Bank balances at variable rates expose the Group to cash flow interest rate risk. Details of the Group's bank balances are disclosed in note 26.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

Sensitivity analysis

The following is an analysis of the Group's financial assets and liabilities that carried variable interest rates at the end of the reporting period:

	2024 **HK$'000**	2023 HK$'000
Financial assets	**54,186**	53,379

As the Group's financial assets that carried variable interest rates are mainly bank deposits and interest rate fluctuation on bank deposit is minimal, the cash flow interest rate risk from financial assets is considered to be insignificant. Accordingly, interest rate fluctuation on these assets is excluded from the sensitivity analysis.

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Risk Management Objectives and Policies (Continued)

(iii) Liquidity Risk

In the management of its liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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 following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. As at 30 September 2024 and 30 September 2023, the maturity dates for non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

Liquidity tables

	Weighted average interest rate %	On demand or within 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts as at 30 September 2024 HK$'000
2024							
Trade payables	–	2,045	–	–	–	2,045	2,045
Other payables	–	8,736	–	–	–	8,736	8,736
Lease liabilities	5.8	88,942	60,612	31,224	–	180,778	171,807
		99,723	60,612	31,224	–	191,559	182,588

	Weighted average interest rate %	On demand or within 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amounts as at 30 September 2023 HK$'000
2023							
Trade payables	–	3,784	–	–	–	3,784	3,784
Other payables	–	15,050	–	–	–	15,050	15,050
Lease liabilities	6.51	112,439	85,014	82,834	–	280,287	263,158
		131,273	85,014	82,834	–	299,121	281,992

(c) Fair Value

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 consolidated financial statements approximate to their fair values.

38. PARTICULARS OF SUBSIDIARIES

Details of the Company's principal subsidiaries at the end of the reporting period are as follows:

Name	Country/place and date of incorporation	Particulars of issued and fully paid up share capital/ registered capital	Percentage of attributable equity interest	Principal activities and place of operation
OBS Company Limited	Hong Kong 26 July 2000	Ordinary shares HK$2	100%	Property holding in Hong Kong
Water Oasis Company Limited	Hong Kong 6 May 1998	Non-voting deferred shares HK$1,000,000 Ordinary shares HK$10,000	100%	Retail sales of skincare products in Hong Kong
Oasis Spa Company Limited	Hong Kong 24 December 1999	Ordinary shares HK$1,000,000	100%	Operation of spa and provision of beauty services in Hong Kong
Oasis Techno-Beauty Company Limited	Hong Kong 24 December 1999	Ordinary shares HK$10,000	100%	Online sales of skincare products and provision of other service in Hong Kong
Claire International Limited	Hong Kong 22 October 1999	Ordinary shares HK$2	100%	Property holding in Hong Kong
Oasis Florist Company Limited	Hong Kong 18 October 2000	Ordinary shares HK$2	100%	Operation of an online florist shop in Hong Kong
Water Oasis (Macau) Company Limited	Macau 19 July 2001	Ordinary shares MOP$25,000	100%	Operation of beauty services and sales of skincare products in Macau
Oasis Beauty Company Limited	Hong Kong 13 March 2002	Ordinary shares HK$1,000,000	100%	Operation of beauty salons and sales of skincare products in Hong Kong

38. PARTICULARS OF SUBSIDIARIES (Continued)

Name	Country/place and date of incorporation	Particulars of issued and fully paid up share capital/ registered capital	Percentage of attributable equity interest	Principal activities and place of operation
Master Advance Limited	Hong Kong 28 June 2002	Ordinary shares HK$1,000,000	100%	Property holding in Hong Kong
奧泉(上海)商貿有限公司 (note a)	The PRC 9 March 2006	US$200,000	100%	Retail sales of skincare products and operating of beauty salons in Mainland China
Top Distinct Limited	Hong Kong 26 January 2006	Ordinary shares HK$2,000,000	100%	Operation of beauty salons in Hong Kong
Oasis Medical Clinic Company Limited	Hong Kong 6 November 2007	Ordinary share HK$1	100%	Operation of beauty salons and provision of other related services in Hong Kong
Water Oasis E.L. (HK) Company Limited	Hong Kong 19 March 2009	Ordinary shares HK$1,000,000	100%	Retail sales of skincare products in Hong Kong
Laboratoire Glycel Societe Anonyme	Liechtenstein 10 September 1997	Normal shares CHF50,000	100%	Holding of trademarks
Glycel Laboratoire SA	Switzerland 18 November 2005	Normal shares CHF100,000	100%	Holding of trademarks
Glycel Company Limited	Hong Kong 19 February 2010	Ordinary shares HK$1,000,000	100%	Retail sales of skincare products and operating of beauty salons in Hong Kong

38. PARTICULARS OF SUBSIDIARIES (Continued)

Name	Country/place and date of incorporation	Particulars of issued and fully paid up share capital/ registered capital	Percentage of attributable equity interest	Principal activities and place of operation
Fancy Cheer Limited	Hong Kong 5 January 2015	Ordinary shares HK$10,000	70%	Production and sales of healing tea in Hong Kong
Oasis Billion Limited	Hong Kong 22 August 2019	Ordinary shares HK$7,000,000	70%	Provision of dental services in Hong Kong
Aesmedic Centre Limited	Hong Kong 25 July 2006	Ordinary shares HK$100	100%	Provision of medical beauty services in Hong Kong
Aesmedic Clinic Limited	Hong Kong 3 July 2015	Ordinary shares HK$10,000	100%	Provision of medical and aesthetic services in Hong Kong
Haba Hong Kong Limited	Hong Kong 6 September 2007	Ordinary share HK$1	100%	Sales of skincare products in Hong Kong
Hongkong Billion Sky Enterprise Limited	Hong Kong 6 September 2007	Ordinary share HK$1	100%	Operation of beauty salons in Hong Kong
Millistrong Holdings Limited	Hong Kong 30 September 2008	Ordinary shares HK$100	100%	Investment holding in Hong Kong

38. PARTICULARS OF SUBSIDIARIES (Continued)

Name	Country/place and date of incorporation	Particulars of issued and fully paid up share capital/ registered capital	Percentage of attributable equity interest	Principal activities and place of operation
Millistrong International Limited	Hong Kong 16 July 2003	Ordinary shares HK$100	100%	Operation of beauty salons in Hong Kong
蔓時哲貿易(上海)有限公司 (note a)	The PRC 23 April 2008	US$750,000	100%	Sales of skincare products in Mainland China

Note a: These companies are wholly foreign owned enterprises.

None of the subsidiaries had issued any debt securities during the year.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

39. RELATED PARTY TRANSACTION

Compensation of Key Management Personnel

	2024 HK$'000	2023 HK$'000
Directors' fees	**1,000**	1,000
Basic salaries	**7,966**	7,636
Bonuses	**10,181**	5,544
Retirement benefit costs	**18**	18
	19,165	14,198

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

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	AS AT 30 SEPTEMBER 2024 HK$'000	2023 HK$'000
Non-current asset			
Investment in a subsidiary		**3,000**	3,000
Current assets			
Prepayments		**396**	310
Amounts due from subsidiaries	a	**195,001**	159,356
Bank balances		**140**	132
		195,537	159,798
Current liabilities			
Accruals and other payables		**964**	717
Amount due to a subsidiary	a	**66,652**	554
		67,616	1,271
Net current assets		**127,921**	158,527
Total assets less current liabilities		**130,921**	161,527
Capital and reserves			
Share capital		**68,055**	68,055
Reserves	b	**62,866**	93,472
Total equity		**130,921**	161,527

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(a) The amount(s) due from subsidiaries and due to a subsidiary are unsecured, interest-free and repayable on demand.

(b) Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 October 2022	1,153	450	108,283	109,886
Profit and total comprehensive income for the year	–	–	82,266	82,266
2022 final dividend paid	–	–	(51,041)	(51,041)
2023 interim dividend paid	–	–	(47,639)	(47,639)
At 30 September 2023	1,153	450	91,869	93,472
Profit and total comprehensive income for the year	**–**	**–**	**40,852**	**40,852**
2023 final dividend paid	**–**	**–**	**(47,639)**	**(47,639)**
2024 interim dividend paid	**–**	**–**	**(23,819)**	**(23,819)**
At 30 September 2024	**1,153**	**450**	**61,263**	**62,866**

41. EVENT AFTER THE REPORTING PERIOD

There is no significant subsequent event after the reporting period.

Five-Year Financial Summary

	Year ended 30 September				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Revenue	**983,215**	976,572	841,936	829,935	531,374
Profit before taxation	**97,802**	139,968	93,638	209,841	36,586
Taxation	**(29,715)**	(29,719)	(26,782)	(39,803)	(9,126)
Profit for the year	**68,087**	110,249	66,856	170,038	27,460
Profit for the year attributable to:					
Owners of the Company	**68,285**	110,320	67,432	170,340	27,736
Non-controlling interests	**(198)**	(71)	(576)	(302)	(276)
	68,087	110,249	66,856	170,038	27,460
STATEMENT OF FINANCIAL POSITION					
Total assets	**1,246,075**	1,222,760	1,261,160	1,358,216	1,194,589
Total liabilities	**(934,519)**	(909,882)	(959,182)	(999,451)	(971,480)
	311,556	312,878	301,978	358,765	223,109
Equity attributable to					
Owners of the Company	**310,954**	312,078	301,107	352,421	216,438
Non-controlling interests	**602**	800	871	6,344	6,671
	311,556	312,878	301,978	358,765	223,109

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

Wong Hei Pui, Andy

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor

LEGAL ADVISORS

Deacons
Reed Smith Richards Butler

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Hang Seng Bank Limited

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