



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

Glow and grow

2025 年報
Annual Report

2025

ANNUAL REPORT

年 報

CONTENTS

2	Corporate Profile
4	CEO's Statement
5	Management Discussion and Analysis
11	Directors and Senior Management
14	Corporate Governance Report
30	Environmental, Social and Governance Report
48	Directors' Report
59	Audited Consolidated Financial Statements
	• Independent Auditor's Report
	• Consolidated Statement of Profit or Loss and Other Comprehensive Income
	• Consolidated Statement of Financial Position
	• Consolidated Statement of Changes in Equity
	• Consolidated Statement of Cash Flows
	• Notes to the Consolidated Financial Statements
125	Five-Year Financial Summary
126	Corporate Information

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 2025, the Group had 14 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 phMedic+ centres locations in Hong Kong. The phMedic+ 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 4 InMedic centres, which are to serve demand for beauty services based on traditional Chinese medicine.

CEO's Statement

The Group has performed well this year, despite the considerable stresses facing the beauty industry in Hong Kong overall. Indeed, our positive performance is most encouraging when set against the backdrop of a poor economy, reduced personal spending by consumers, and increased levels of 'northbound consumption'. In this context, we are seeing some smaller beauty players exiting the market. By contrast, the Group has been working hard, creatively and successfully to win new customers and retain existing ones. Unlike most beauty services providers in Hong Kong, we have finished the year in an even better position than we started it.

One secret of our successful performance in the year has been our ever-increasing adoption of smart digital marketing to engage with existing customers and attract new ones. Working with many of Hong Kong's top KOLs, we have been producing and distributing a large number of professional marketing videos each month to promote our various beauty services and skin products across multiple brands. The videos are shared widely, on all the major social media platforms. They are proving extremely effective at keeping Water Oasis in the public eye, winning new customers, and generating a highly positive buzz around our new offerings.

Alongside this, we have continued to roll out innovative new treatments backed by the latest in new beauty technology. The advanced equipment we use and the professional expertise of the staff who perform our beauty treatments are real points of difference for the Group. Our customers associate all the Group's brands with quality and reliability, helping to reinforce our reputation as a widely trusted premium beauty services provider. This year, we have expanded our brand platforms and range of services further by launching our new InMedic brand, which is providing advanced beauty treatments based on traditional Chinese medicine principles.

These are areas where we do not plan to slow down in the year ahead. Our engagement with most of Hong Kong's leading KOLs will continue, ensuring that our products and services will be endorsed by some of the most familiar and best-trusted celebrities and influencers of the day. We will continue to invest in online marketing, generating large amounts of content and presenting it creatively and compellingly. Alongside these marketing efforts, we will be spending to ensure our premises remain of premium quality, offering a superb experience for every customer.

Alongside this targeted spending, we will continue with our longstanding policy of highly prudent cost controls. We remain highly disciplined in our financial management, benefiting from being debt-free and having healthy cash reserves. In an environment where 'cash is king', the Group's strong financial position gives us the liquidity we need to ensure stability and capitalise on emerging opportunities, while continuing to deliver stable returns to our shareholders.

The Water Oasis Group has a high profile and a long tradition of serving Hong Kong. At the same time, it is constantly projecting new energy, embracing new technology, and staying abreast of new market trends. The result is a longstanding trusted name that continues to remain relevant and make a mark, even in challenging economic times. I look forward to overseeing the Group as we work to grasp new market share and establish new benchmarks for the beauty services industry in Hong Kong over the coming year.



Alan Tam

Executive Director and Chief Executive Officer

Management Discussion and Analysis

Financial Highlight

\$981M

The Group's revenue for the year ended 30 September 2025 remained stable at approximately HK\$981 million.

\$123M

Excluding a non-cash loss on fair value change of investment properties, the Group's underlying net profit for the year ended 30 September 2025 increased to approximately HK\$123 million.

\$81M

The Group's net profit for the year ended 30 September 2025 increased to approximately HK\$81 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

The performance of the Water Oasis Group over the past year should be viewed within the context of a poor Hong Kong economy. Hong Kong has had to grapple with a number of long-term structural challenges in recent times, in the form of a depressed housing market, a turbulent stock market, and employment uncertainty for many. These have all impacted directly on consumer spending, bringing economic challenges to many local sectors. This has been exacerbated by the steady trend of Hong Kong people travelling north to spend on goods and services over the border in the Greater Bay Area (“GBA”), where spending power is greater.

Unlike many beauty sector players, however, the Group has bucked the trend by delivering positive results, with increases in both its core operating profit and its net profit for the year. Indeed, within the beauty services industry in Hong Kong, the Group is one of the few listed companies that has been able to deliver consistently strong financial performance and year-on-year growth. Achieving this has been the result of prudent financial management and cost optimisation wherever possible, the application of economies of scale, coupled with an unflagging commitment to service quality and to delivering premium beauty experiences to customers.

The Group’s product/service mix continued to adjust in the direction of services over the year. At year-end, the product/service mix balance stood at 9.7% to 90.3%, by comparison with 13.2% to 86.8% a year earlier. This change resulted in a slight increase in the Group’s beauty services revenue for the year, balanced by a dip in its product revenue. Overall, the outcome was a slight decrease in total revenue year-on-year. However, the increase in the beauty service contribution translated into larger gross profit as well as a rise in the gross profit margin, due to the higher margins available on beauty services as opposed to products.

Alongside this, key costs were kept well under control or reduced. Rental expenses for the year were down from 16.2% of total revenue to 14.5%, reflecting the muted retail climate and the greater ability of the Group to negotiate with landlords. The lower rental expenses also reflect the significant restructuring of 2023-24, during which the Group closed some 14 stores. The full impact of the reduction of rental costs associated with these closures was fully realised in the year under review.

Capital expenditure remained stable year on year, with the Group continuing its policy of regularly upgrading equipment and purchasing new equipment, while at the same time renovating its brand outlets.

Staff costs rose in the year despite a reduction in staff numbers from 914 to 899, with staff costs as a percentage of revenue lifting to 46.0% from 45.6% previously. This reflected both the challenging labour market in Hong Kong, where extra expenditure is a necessity for retaining high calibre staff, and the increase in the Group’s beauty services revenue, which generated higher commissions for staff. Although higher commissions do impact staff costs, they are at the same time a very positive sign of the Group’s success in generating and retaining business.

The Group’s advertising and marketing expenses also rose in the year to 2.7% of total revenue from 2.1% previously, reflecting a focused strategy of expanding its online marketing presence and impact. Social media platforms such as Facebook and Youtube have become primary outlets for marketing, and over the past year the Group has been working with a large percentage of Hong Kong’s most influential KOLs to promote its various brands, products and treatments, in a clear sign of management’s commitment to maintaining a strong growth momentum.

As a result of these initiatives, the Group’s core operating profit rose over the year. Offsetting this was an investment property revaluation loss which, like that recorded for the previous year, was necessary in the face of the ongoing downturn in Hong Kong’s property market. Last year, the Group also recorded a goodwill impairment loss relating to the ending of its Mainland distributorship for the HABA brand, but this year no comparable loss was recorded. Overall, however, net profit showed a healthy increase, making it clear that the Group is able to deliver steady financial results even in difficult times.

As at 30 September 2025, the Group held bank balances and cash of approximately HK\$746.5 million in total. The Group is currently debt-free. The Board has recommended the payment of a final dividend of 2.5 HK cents per share, bringing the full-year dividend to 6.0 HK cents (2024: 5.5 HK cents) per share.

Business Review

Beauty Services

OASIS Portfolio

The Group operates an extensive 'Oasis' portfolio of beauty brands and related wellness and lifestyle services. The most significant of these 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 and Oasis Dental.

All the Oasis brands performed satisfactorily over the year. Various products and treatments were rolled out and widely advertised to keep customers coming back. These products and treatments included SKINVIVE, which delivers hyaluronic acid to the skin to provide hydration from the base and smooth out fine lines, and Ultherapy PRIME®, which utilises ultrasound technology together with real-time imaging to stimulate the skin's natural collagen production. Another highlight rolled out was SYLFIRM X Silicon Valley Radiofrequency, the world's first FDA-approved microneedling device that combines pulsed and continuous wave radiofrequency technology, providing deep treatment for various skin concerns such as wrinkles, pigmentation, and skin sensitivity. Meanwhile, the new Coolfase with advanced Monopolar RF technology and a patented cooling system offered superior skin tightening effects and long-lasting wrinkle reduction.

In the year, the number of Oasis Beauty centres in Hong Kong reduced by one to 14 with the closure of an outlet in Yuen Long. The Group continued to operate 1 Oasis Beauty outlet in Macau, along with 3 self-managed Oasis Beauty centres in Beijing in the PRC. Meanwhile, the number of Oasis Medical Centres in Hong Kong remained steady at 9.

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 offer 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.

The year 2025 marked the 40th anniversary of the Glycel brand. To celebrate the occasion, the Group worked with two members of Hong Kong's mega-band Mirror, Jeremy and Stanley, on a major promotional event in October held at Festival Walk to launch the new Glycel product Pure Collagen, capsules that deliver an instant Freeze & Rebirth effect to restore firmness, elasticity and smoothness to the skin.

As at 30 September 2025, the Group was operating 14 Glycel outlets in Hong Kong and a further 1 in Macau, representing no change from a year earlier.



phMedic+ and InMedic

The Group has 4 phMedic+ beauty service centres in Hong Kong.

In May 2025, the Group set up a new brand named InMedic, to serve demand for beauty services based on traditional Chinese medicine (such as acupuncture-based treatment) rather than the Western-based treatments typically associated with those supplied by the Group's Oasis Medical Centres. All the centres draw on the services of professionally accredited Chinese medical practitioners, and treatments have developed based on a close partnership with PuraPharm, a reputed supplier of Chinese medicine in Hong Kong.



Product sales

The Group's product sales fell slightly this year, reflecting the further swing of its business towards beauty services. However, its skincare products remain an important element of the Group's portfolio, with these products easily available for sale online. Sales of product for home skincare are also a valuable route by which some customers make the step into using beauty services, since many of the skincare brands available for sale online are also used as part of the Group's beauty treatments.

Key brands retailed by the Group include Glycel and Eurobeauté. Glycel products are primarily sold online and in Glycel Skinspas, as part of or as extensions to the spa treatments available there. Similarly, Eurobeauté products are also sold online and as part of Oasis Beauty centre treatments. The Group also operates one Erno Laszlo store in Hong Kong selling a range of exclusive skincare products.



PROSPECTS

Looking ahead, the Group remains committed to delivering a high quality of service and providing a premium experience to customers, while leveraging economies of scale to achieve cost efficiencies. The challenges in the Hong Kong market, which are not expected to alleviate in the near future, are likely to see lesser beauty players exiting the market in the months ahead. For the Group, this represents an opportunity for capturing further business, consolidating its leading position and reputation in the market.

In the six months ahead, the Group will continue to invest in people, solutions and equipment. It will ensure its flagship stores remain best in class, showcasing what the Group excels in. For 2026, the Group expects to increase its capital expenditure considerably, with several store renovations being planned as well as substantial purchases of new equipment on the cards.

Given the changing landscape of the beauty industry in Hong Kong and beyond, the Group will be looking closely at merger and acquisition opportunities going forward to grow its core business. Its new InMedic brand will be another growth driver.

From a financial management perspective, the Group will maintain its prudent dividend policy and will continue to exercise a highly disciplined approach to expenditure, with the aim of preserving its solid cash reserves and consequent high liquidity. This approach is not simply to ensure stable returns for shareholders, but also to ensure the Group is in a position to respond rapidly and effectively to acquisition opportunities as they arise.

In 2025, Water Oasis finds itself one of the leaders in beauty services in Hong Kong. This status is a testament to a reputation built up over many years, aligned with sharp pricing, and an excellent range of products and solutions. From a financial perspective, the Group occupies a strong position, being debt-free and cash rich. Its goal going forward is to maintain this elevated status by continuing to deliver a premium performance across its range of well-established brands.

Directors and Senior Management

DIRECTORS

EXECUTIVE DIRECTORS

Mr. YU Kam Shui, Erastus, aged 75, 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 48, 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, Member of Ho Man Tin Area Committee, Section Deputy Commander of RSP Promotion & Publicity Department of the Hong Kong Road Safety Association, 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 73, 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 is a member of Nomination Committee 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 70, 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 77, 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 C C Land Holdings Limited from 1 October 2007 to 22 May 2023. All companies are listed on The Stock Exchange of Hong Kong Limited.

Mr. WONG Chun Nam, Duffy, B.B.S., J.P., aged 72, 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. 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 70, 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 70, 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, The Hong Kong Institute of Housing, the Chartered Institute of Housing Asian Pacific Branch, the Hong Kong Institute of Real Estate Administrators, an Honorary Fellow of The Hong Kong Institute of Facility Management, as well as Fellow of Hong Kong Institute of Marketing. Dr. Chan has been appointed to serve in a number of public and voluntary services, currently, he is, a member of the Hong Kong Housing Authority and the Chairman of its Building Committee, a member of its Commercial Properties Committee and Strategic Planning Committee, a member of Hong Kong Housing Society Audit Committee and Special Committee on Elderly Housing, a member of Property Management Services Authority, a member of the Elderly Commission, a member of the Occupational Safety & Health Council, the Hospital Governing Committee Member of Ruttonjee and Tang Shiu Kin Hospitals, the Vice-Chairman of the Hong Kong Council on Smoking and Health, the Chairman of the Customer Consultative Group of CLP Power Hong Kong Limited, a member of the Olympic House Management Committee of the Sports Federation and Olympic Committee of Hong Kong, an Honorary Member of the Auxiliary Medical Service, an Honorary Advisor of Building Services Operation and Maintenance Executives Society 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 2025.

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 2025.

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 2025 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 2025 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 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 retire from office 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. Yu Lai Chu, Eileen, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire 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 a 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 2025 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 (including senior management) 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 2025.

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 2025 are set out in the table below:

Directors	Board	Number of meeting(s) attended/held					Annual General Meeting
		Audit Committee	Remuneration Committee	Investment Advisory Committee	Nomination Committee	Disclosure Committee	
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*	–	1/1
LAI Yin Ping	4/5	–	–	–	–	–	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	5/5	2/2	1/1	1/1	1/1	–	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

* YU Lai Chu, Eileen was appointed as a member of Nomination Committee on 16 June 2025.

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 2025, 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 systems. 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 2025, 2 meetings were held by the Audit Committee. Among these meetings, it had reviewed the annual results of 2024 with external auditor and also the activities of the Group's risk management and internal control functions and the interim results of 2025.

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 addition, 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 2025, 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 2025, 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 2025, 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, August 2013 and June 2025. 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, Dr. Chan Chi Kau, Johnnie Casire, and an executive director of the Company, Ms. Yu Lai Chu, Eileen 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, assist the board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become Board members and assessing the independence of independent non-executive directors. Its terms of reference are available on the respective websites of the Stock Exchange and the Company.

During the year ended 30 September 2025, 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 2025, 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 2025 is broken down below:

	2025 HK\$’000
Statutory audit	1,853
Non-audit services	670
Total	2,523

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 2025 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 2025, 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 apprised 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 2025.

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 2025, 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 2025 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 2025.

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 2025 interim report of the Company are set out below:

- Ms. Yu Lai Chu, Eileen, an executive director of the Company, was appointed as a member of the Nomination Committee of the Company on 16 June 2025.
- In respect of the change in emoluments of Directors, please refer to note 16 to the consolidated financial statements on page 97.

Environmental, Social and Governance Report

ABOUT THE REPORT

The Group is pleased to present its 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 2024 to 30 September 2025 (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 is responsible for overseeing the Group’s ESG matters, encompassing the identification, evaluation, prioritization, and management of 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 strong emphasis on stakeholder feedback, recognizing its critical 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
Investors and Shareholders	• Announcements and notices • Annual General Meeting and circulars • Financial statements/ESG information	• Staff meetings and team briefings • Corporate website • Investors briefings
Suppliers and Business Partners	• Business meetings • Contracts and agreements • Quotations and tendering process	• Press releases/News • 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 operational 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

Air 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 reduce our exhaust gas emissions and enhance indoor air quality by encouraging the use of public transportation for commuting, maintaining our vehicles regularly to ensure optimal engine performance and fuel efficiency, and establishing systematic guidelines for planning and monitoring IAQ across all beauty centres and spas.

The emission data for the Reporting Period is as follows:

	Unit	2025
Nitrogen oxides (NO _x)	kg	9.32
Sulphur oxides (SO _x)	kg	0.24
Particulate matter (PM)	kg	0.69

Greenhouse Gas Emissions

Electricity consumption is the primary source of our greenhouse gas (“GHG”) emissions. To achieve progressive reductions in our GHG emissions, we are deploying a range of energy-saving measures (detailed in the “Energy Consumption” section). Additional measures that have been implemented 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	2025
Direct GHG emissions (Scope 1)¹		
• Gasoline	tonnes CO ₂ e	42.81
Energy Indirect GHG emissions (Scope 2)¹		
• Purchased electricity	tonnes CO ₂ e	805.51
All Other Indirect GHG emissions (Scope 3)¹		
• Disposal of paper waste	tonnes CO ₂ e	3.62
• Freshwater processing	tonnes CO ₂ e	0.60
• Sewage processing	tonnes CO ₂ e	0.29
Total GHG emissions	tonnes CO ₂ e	852.83
Intensity²	tonnes CO ₂ e/m ² operating area	0.05

Notes:

- 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).
- As at 30 September 2025, the Group had a total operation area of 16,029.69 m² 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.

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 implemented multiple measures to reduce waste and enhance employee awareness of waste reduction. To minimize paper consumption, employees are encouraged to utilize digital technologies and recycled paper. Moving forward, we will continue to explore and implement additional initiatives to further reduce waste generation.

The relevant data of the Reporting Period is as follows:

	Unit	2025
Total hazardous waste generated	tonnes	0.43
Intensity of hazardous waste	kg/m ² operating area	0.03
Total non-hazardous waste generated	tonnes	181.22
Intensity of non-hazardous waste	kg/m ² operating area	11.31

The Group recognizes the importance of sustainable resource use to ensure their long-term availability. We consistently promote efficient resource utilization by actively cultivating environmental awareness among our 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 enhance employee awareness of energy efficiency, we display energy-saving reminders near power switches to promote 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	2025
Direct energy consumption (Gasoline)	MWh	146.56
Indirect energy consumption (Purchased electricity)	MWh	1,704.37
Total energy consumption	MWh	1,850.93
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 explore and implement additional initiatives to further improve water use efficiency.

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	2025
Total water consumption	m ³	1,375.35
Intensity	m ³ /m ² operating area	0.09

Paper and Printed Materials Consumption

Minimizing paper and print consumption remains a core environmental objective of the Group. The consumption data for the Reporting Period is as follows:

	Unit	2025
Paper disposed of	tonnes	4.45
Paper recycled	tonnes	1.72

Use of Packaging Materials

We use packaging materials including plastic bottles, jars, cardboard, plastic pouches, foamboard, and carton boxes 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 conservation. 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	2025
Total packaging materials consumption	tonnes	13.82
Intensity ¹	tonnes/revenue in million HK\$	0.01

Note:

- As at 30 September 2025, the Group's revenue is HK\$981.33 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 emissions 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 implement comprehensive policies and measures to further reduce our environmental impact, promote environmental awareness among stakeholders, and drive continuous improvement in our sustainability performance.

Climate Change

The Group recognizes that climate change impacts every sector, including the beauty industry, and understands its critical importance to our business operations and sustainable growth. To address this challenge, 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 that could impact our operations, strategic 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 about the environment causing increased demand for 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 minimizing 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

Our employees are our most valuable asset. They play a vital role in delivering exceptional customer experiences across our beauty services and retail operations, and their dedication and expertise are fundamental to our success and sustainable growth. We are committed to protecting 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 building a high-quality and diverse workforce through equal opportunities in recruitment, training and development, career advancement, and compensation 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 2025, the Group had a total of 818 employees in Hong Kong.

Number of Employees	Unit	2025
By Gender		
Male	person	50
Female	person	768
By Age Group		
18–25	person	40
26–35	person	227
36–45	person	246
46–55	person	199
56 and above	person	106
By Employment Type		
Full time	person	797
Part time	person	21

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 the Employment Ordinance, the Group has developed internal procedures that align with the relevant laws and terms of employment contracts. All employment contracts clearly stipulate the terms and conditions governing termination, ensuring transparency and clarity for all parties.

Turnover Rate ¹	Unit	2025
By Gender		
Male	percentage	1
Female	percentage	2
By Age Group		
18–25	percentage	4
26–35	percentage	2
36–45	percentage	2
46–55	percentage	2
56 and above	percentage	2
By Geographical Region		
Hong Kong	percentage	2

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

Fostering an inclusive, equitable, and respectful workplace environment that is free from all forms of harassment and discrimination is fundamental to our talent strategy and organizational values. 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

We believe in recognizing and rewarding our employees' contributions. The Group offers competitive remuneration and comprehensive benefits to attract, motivate, and retain talented employees. 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 prioritize employee well-being by maintaining a safe, healthy, and comfortable working environment in full compliance with occupational health and safety regulations. Employees receive 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	2025
Number of work injury cases	cases	5
Lost days due to work injury	days	229

The Group is committed to supporting the physical and mental wellbeing of its employees. We actively engage in open communication to offer support when needed. During the Reporting Period, we organized monthly Tea Friday gatherings where employees celebrated birthdays and milestones together. We also held our Excellence Conference 2025 at the Royal Plaza Hotel to recognize outstanding achievements and foster professional development. At year-end, our Christmas Party brought the entire team together for festivities and celebration. At new years, our traditional Lion Dance New Year celebration (醒獅採青) honoured our cultural heritage while welcoming prosperity for the coming year. These events create meaningful opportunities for employees to connect, collaborate, and build lasting relationships beyond their daily work responsibilities. Furthermore, we use social media 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.

The Group is committed to employee development and career advancement. We invest in comprehensive training programs that equip our employees with the knowledge and tools to excel in their roles and progress in 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. During this Reporting Period, our employee training data is as follows:

	Unit	2025
Percentage of Employees Trained by Gender		
Male	percentage	12
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	0.4
Female	hours	10
Average Training Hours Completed per Employee by Employee Category		
Director and Senior Management	hours	3.5
Supervisory and General Staff	hours	10

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).

The Group is committed to protecting labour rights and maintaining ethical employment practices that prohibit child and forced labour. 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 recognizes the critical importance of supply chain management in achieving sustainable development. During the Reporting Period, the Group had 62 major suppliers from Hong Kong, Chinese Mainland and other overseas regions, and conducted a periodic review on 9 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.

Our supplier selection process employs stringent evaluation criteria to ensure quality and compliance. 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	2025
Hong Kong	supplier	23
Chinese Mainland	supplier	2
Overseas Regions	supplier	37

Product Responsibility

As a responsible corporate entity, the Group is committed to ensuring that our products meet the highest quality standards and customer expectations while safeguarding client personal data and privacy. 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

Upholding excellence in product and service quality is fundamental to our business success, as we continuously meet and maintain our customers' rising expectations for 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 to redefining service flow and upgrading customer experience to ensure personalised and attentive services were provided.

To ensure product safety and customer protection, the Group has established a comprehensive 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

Ensuring a secure data environment to protect the privacy of customers, employees, business partners, and suppliers remains a top priority for the Group. 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

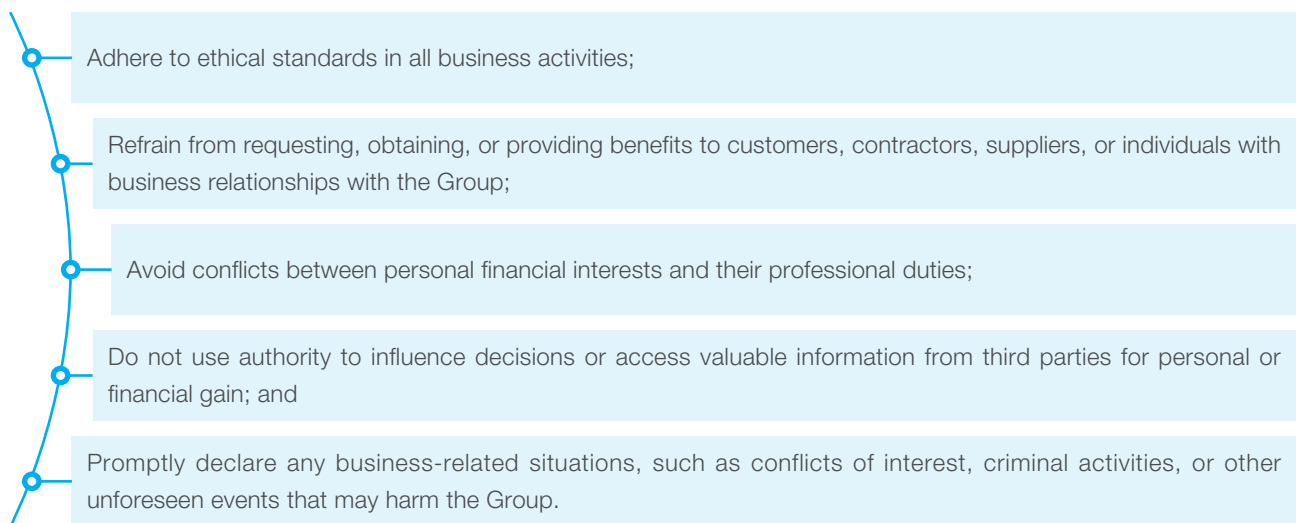
The Group also maintains registered trademarks and domain names, which play a crucial role in protecting our brand, products, and corporate identity. We adhere to intellectual property (the "IP") rights regulations to safeguard the interests of both the Group and its customers. The Group strictly prohibits 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

Upholding corporate principles is central to the Group's approach, ensuring every business activity meets the most rigorous standards of ethics, trustworthiness, 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:



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 places strong emphasis on ethical conduct and promotes a confidential reporting mechanism for employees to anonymously report potential cases of corruption, impropriety, or unethical practices. 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 recognize the strong interdependence between thriving communities and our business activities. This understanding drives our commitment to corporate social responsibility and our dedication to making positive societal impacts. 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 "Mooncakes 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 "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 2025" 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
Mandatory Disclosure Requirements	
Governance Structure	Sustainability Governance
Reporting Principles	Reporting Standards and Principles
Reporting Boundary	Scope and Reporting Period
A. Environmental	
A1. Emissions	Environment Air Emissions Greenhouse Gas Emissions Waste Management
A2. Use of Resources	Energy Consumption Water Consumption Paper and Printed Materials Consumption Use of Packaging Materials
A3. The Environment and Natural Resources	The Environment and Natural Resources
A4. Climate Change	Climate Change
B. Social	
<i>Employment and Labour Practices</i>	
B1. Employment	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
<i>Operating Practices</i>	
B5. Supply Chain Management	Supply Chain Management
B6. Product Responsibility	Product Responsibility Product and Service Quality Data Protection and Privacy Intellectual Property Rights
B7. Anti-corruption	Anti-corruption Whistleblowing Policy Anti-corruption Training
<i>Community</i>	
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 2025.

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 and phMedic+ under the beauty services operations as well as the brands of Glycel, Eurobeauté, Erno Laszlo and DermaSynergy under the retail operations.

Details of the Company's principal subsidiaries as at 30 September 2025 are set out in note 37 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 2025 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, 5 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 2025, 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 2025 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 2.5 HK cents per share for the year ended 30 September 2025 payable to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 10 February 2026, being the record date for determining shareholders' entitlement to the final dividend. Subject to the passing of the relevant resolution at the forthcoming AGM, the final dividend will be payable on Monday, 2 March 2026.

SHARE CAPITAL

Details of the Company's authorised and issued share capital as at 30 September 2025 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 2025 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. Yu Lai Chu, Eileen, Dr. Wong Chi Keung and Dr. Chan Chi Kau, Johnnie Casire 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 2025, 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			Total	Approximate percentage of issued share capital
			Personal interests	Family interests	Corporate interests		
Yu Kam Shui, Erastus	The Company	Beneficial owner	10,166,000 ordinary	–	–	10,166,000 ordinary	1.49%
Yu Lai Chu, Eileen	The Company	Beneficial owner and interest of controlled corporations	31,480,000 ordinary ⁽¹⁾	–	155,333,760 ordinary ⁽¹⁾	186,813,760 ordinary	27.45%
	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	10,634,000 ordinary	2,294,000 ordinary ⁽³⁾	–	12,928,000 ordinary	1.90%
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	1,396,000 ordinary	–	–	1,396,000 ordinary	0.21%

Notes:

- (1) 31,480,000 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 2025, 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 2025.

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

As at 30 September 2025, 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 2025, 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 2025.

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 2025 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 2025 are set out in note 38 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 2025.

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 2025.

DONATIONS

For the year ended 30 September 2025, the Group had not made any charitable and other donations (2024: HK\$50,000).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30 September 2025, the aggregate purchases attributable to the Group's five largest suppliers and largest supplier represented approximately 27.7% and 9.8% of the Group's total purchase respectively, whereas the aggregate turnover attributable to the Group's five largest customers was less than 1.4% of the Group's total revenue.

At all times during the year ended 30 September 2025, 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, excluding treasury shares) had an interest in any of the Group's five largest customers or suppliers.

DISTRIBUTABLE RESERVES

As at 30 September 2025, the distributable reserves of the Company amounted to approximately HK\$64.5 million under the Companies Act (As Revised) of the Cayman Islands (2024: HK\$61.3 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 2025 mainly denominated in Hong Kong dollars amounted to approximately HK\$746.5 million (2024: HK\$485.2 million). The Group generally finances its operation with internally generated resources.

As at 30 September 2025, the gearing ratio, expressed as a percentage of outstanding loan over total equity was nil (2024: 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 2025. 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 2025.

SIGNIFICANT INVESTMENTS

As at 30 September 2025, 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 2025.

PLEDGE OF ASSET

There was no pledge of asset of the Group as at 30 September 2025 (2024: nil).

CONTINGENT LIABILITIES

The Group had no significant contingent liability as at 30 September 2025.

CAPITAL COMMITMENTS

The Group had capital commitments of approximately HK\$0.7 million as at 30 September 2025 (2024: HK\$3.9 million).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group employed 899 staff (2024: 914 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 of employees for the year ended 30 September 2025 was approximately HK\$451.2 million (2024: HK\$448.6 million).

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 2025, 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 (including treasury shares). As at 30 September 2025, the Company did not hold any treasury shares.

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 2025.

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 2025.

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 2025.

AUDIT COMMITTEE

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

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

A handwritten signature in black ink, appearing to be 'TAM Siu Kei', with a long horizontal stroke extending to the right.

TAM Siu Kei

Executive Director and CEO

Hong Kong, 15 December 2025

Independent Auditor's Report



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

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 2025, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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 (“HKSA”) 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.

Independent Auditor's Report (Continued)

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 2025, the carrying amount of contract liabilities for prepaid treatment services amounted to HK\$664,824,000. During the year ended 30 September 2025, revenue recognised from treatment services amounted to HK\$886,620,000.

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 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.

Independent Auditor's Report (Continued)

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 2025. 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.

Independent Auditor's Report (Continued)

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\$175,938,000 as at 30 September 2025. 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 HKFRS Accounting Standards as 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.

Independent Auditor's Report (Continued)

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 HKSAAs 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 HKSAAs, 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.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Continued)

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, 15 December 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED
30 SEPTEMBER

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	981,334	983,215
Purchases and changes in inventories of finished goods		(71,076)	(83,022)
Other income	7	20,701	17,053
Impairment loss on goodwill	18	–	(11,429)
Loss on fair value change of investment properties	19	(42,341)	(32,992)
Other gains or losses	8	(1,130)	(464)
Staff costs	15	(451,218)	(448,617)
Depreciation		(138,190)	(155,445)
Finance costs	9	(7,943)	(9,174)
Other expenses	10	(174,396)	(161,323)
Profit before taxation		115,741	97,802
Taxation	11	(34,854)	(29,715)
Profit for the year	12	80,887	68,087
Profit for the year attributable to:			
Owners of the Company		81,258	68,285
Non-controlling interests		(371)	(198)
		80,887	68,087

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

		FOR THE YEAR ENDED 30 SEPTEMBER	
	Notes	2025 HK\$'000	2024 HK\$'000
Profit for the year		80,887	68,087
Other comprehensive income (expenses):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,150)	2,049
Total comprehensive income for the year		79,737	70,136
Total comprehensive income for the year attributable to:			
Owners of the Company		80,108	70,334
Non-controlling interests		(371)	(198)
		79,737	70,136
Earnings per share			
Basic	13	11.9 HK cents	10.0 HK cents
Diluted	13	11.9 HK cents	10.0 HK cents

Consolidated Statement of Financial Position

AS AT 30 SEPTEMBER			
	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Intangible assets	17	73,545	74,240
Goodwill	18	18,244	18,244
Investment properties	19	175,938	192,041
Property and equipment	20	58,781	82,460
Right-of-use assets	21	193,814	222,175
Rental deposits	22	27,084	31,815
Deferred tax assets	32	4,448	5,027
		551,854	626,002
Current assets			
Inventories	23	35,547	44,992
Trade receivables	24	18,148	16,535
Contract costs	25	50,465	47,953
Prepayments		8,492	8,212
Other deposits and receivables		20,014	16,670
Current tax assets		98	555
Bank balances and cash	26	746,480	485,156
		879,244	620,073
Current liabilities			
Trade payables	27	3,371	2,045
Accruals and other payables		154,082	95,283
Provisions for reinstatement costs	28	34,043	34,640
Contract liabilities	29	669,168	579,856
Lease liabilities	21	84,325	83,812
Current tax liabilities		29,098	35,096
		974,087	830,732
Net current liabilities		(94,843)	(210,659)
Total assets less current liabilities		457,011	415,343

Consolidated Statement of Financial Position

(Continued)

		AS AT 30 SEPTEMBER	
	Notes	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	30	68,055	68,055
Reserves		285,577	242,899
Equity attributable to owners of the Company		353,632	310,954
Non-controlling interests		231	602
Total equity		353,863	311,556
Non-current liabilities			
Lease liabilities	21	85,892	87,995
Deferred tax liabilities	32	17,256	15,792
		103,148	103,787
		457,011	415,343

The consolidated financial statements on pages 66 to 124 were approved and authorised for issue by the Board of Directors on 15 December 2025 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										Non-controlling interests	Total
	Share capital	Share premium	Exchange reserve	Capital reserve ^(a)	Capital redemption reserve	Statutory fund reserve ^(b)	Other reserve ^(c)	Retained profits	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 October 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
Profit for the year	-	-	-	-	-	-	-	81,258	81,258	(371)		80,887
Exchange differences arising on translation of foreign operations	-	-	(1,150)	-	-	-	-	-	(1,150)	-		(1,150)
Total comprehensive income for the year	-	-	(1,150)	-	-	-	-	81,258	80,108	(371)		79,737
2024 final dividend paid	-	-	-	-	-	-	-	(13,611)	(13,611)	-		(13,611)
2025 interim dividend paid	-	-	-	-	-	-	-	(23,819)	(23,819)	-		(23,819)
	-	-	-	-	-	-	-	(37,430)	(37,430)	-		(37,430)
At 30 September 2025	68,055	1,153	17,418	(1,766)	450	1,797	1,417	265,108	353,632	231		353,863

- (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

	2025 HK\$'000	2024 HK\$'000
Operating activities		
Profit before taxation	115,741	97,802
Adjustments for:		
Amortisation of intangible assets	690	695
Loss on written off of intangible assets	5	–
Depreciation	138,190	155,445
Loss on fair value change of investment properties	42,341	32,992
Interest expenses on lease liabilities	7,927	9,098
Interest income on bank deposits	(15,574)	(12,068)
Interest income on rental deposits	(1,116)	(1,090)
Net loss on disposal/write-off of property and equipment	968	94
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	289,172	294,974
Decrease in inventories	9,445	1,602
(Increase)/decrease in trade receivables	(1,613)	7,311
Decrease in rental deposits, prepayments, other deposits and receivables	3,276	19,176
Increase in contract costs	(2,512)	(5,144)
Increase/(decrease) in trade payables	1,326	(1,739)
Increase in accruals and other payables	53,104	6,853
Increase in contract liabilities	89,312	88,224
Cash generated from operations	441,510	411,257
Hong Kong Profits Tax paid	(34,587)	(3,103)
The PRC Enterprise Income Tax paid	(3,765)	(5,176)
Net cash from operating activities	403,158	402,978

Consolidated Statement of Cash Flows

(Continued)

	FOR THE YEAR ENDED 30 SEPTEMBER	
	2025 HK\$'000	2024 HK\$'000
Investing activities		
Purchase of property and equipment	(14,770)	(16,274)
Interest received on bank deposits	14,521	11,015
Proceeds from disposal of property and equipment	13	200
Additions in intangible assets	–	(208)
Net cash used in investing activities	(236)	(5,267)
Financing activities		
Dividends paid	(37,430)	(71,458)
Repayment of principal portion of lease liabilities	(95,086)	(105,772)
Repayment of interest portion of lease liabilities	(7,927)	(9,083)
Net cash used in financing activities	(140,443)	(186,313)
Net increase in cash and cash equivalents	262,479	211,398
Cash and cash equivalents at beginning of the year	485,156	271,764
Effect of foreign exchange rate changes on cash and cash equivalents	(1,155)	1,994
Cash and cash equivalents at end of the year, represented by bank balances and cash	746,480	485,156

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 2025, 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) Amendments to standards and interpretations that are mandatorily effective for the current year

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
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) — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the amendments to standards and interpretations does not have any significant impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES (Continued)

(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.

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability Disclosures ³
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clauses ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 9 and HKFRS 7	Contracts Refencing Nature-dependent Electricity ²

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

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after 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 HKFRS Accounting Standards 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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 initially 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 foregoing, 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).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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 2025, the carrying amount of trademarks and goodwill is HK\$72,644,000 (2024: HK\$72,644,000) and HK\$18,244,000 (2024: HK\$18,244,000) 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 36 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 2025 and 2024. 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 2025, the carrying amount of investment properties is HK\$175,938,000 (2024: HK\$192,041,000), with a decrease in fair value of HK\$42,341,000 (2024: HK\$32,992,000) recognised in profit or loss for the year ended 30 September 2025.

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	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Time of revenue recognition						
At a point of time	94,714	130,071	–	–	94,714	130,071
Over time	–	–	886,620	853,144	886,620	853,144
	94,714	130,071	886,620	853,144	981,334	983,215

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	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Sales to external customers	94,714	130,071	886,620	853,144	–	–	981,334	983,215
Inter-segment sales	17,279	21,894	–	–	(17,279)	(21,894)	–	–
Total	111,993	151,965	886,620	853,144	(17,279)	(21,894)	981,334	983,215
Segment results	6,229	11,868	241,707	219,562	–	–	247,936	231,430
Other income							20,701	17,053
Impairment loss on goodwill (note)							–	(11,429)
Loss on fair value change of investment properties							(42,341)	(32,992)
Other gains or losses							(1,130)	(464)
Finance costs							(7,943)	(9,174)
Central administrative costs							(101,482)	(96,622)
Profit before taxation							115,741	97,802

Note: During the year ended 30 September 2024, 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	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
OTHER SEGMENT INFORMATION						
Depreciation of property and equipment	4,198	6,770	33,237	38,009	37,435	44,779
Depreciation of right-of-use assets	89,456	16,732	11,299	93,934	100,755	110,666
Amortisation of intangible assets	–	5	690	690	690	695

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	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong and Macau	931,538	922,614	424,517	493,042
Mainland China	49,796	60,601	4,917	5,230
	981,334	983,215	429,434	498,272

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

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Interest income on bank deposits	15,574	12,068
Interest income on rental deposits	1,116	1,090
Rental income	3,911	3,677
Others	100	218
	20,701	17,053

8. OTHER GAINS OR LOSSES

	2025 HK\$'000	2024 HK\$'000
Net loss on disposal/write-off of property and equipment	(968)	(94)
Impairment loss on property and equipment	–	(10)
Impairment loss on right-of-use assets	–	(567)
Net exchange (loss)/gain	(103)	164
Others	(59)	43
	(1,130)	(464)

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on lease liabilities	7,927	9,098
Other interest expenses	16	76
	7,943	9,174

10. OTHER EXPENSES

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	1,853	1,719
Amortisation of intangible assets	690	695
Bank charges	44,163	41,855
Marketing expenses	26,475	22,365
Expenses relating to		
— Short-term lease	3,538	3,078
— Variable lease payments not included in the measurement of lease liabilities	734	4,324
Building management fees, government rent and rates	30,154	32,893
Cleaning and laundry	8,725	8,338
Transportation, storage and delivery	7,395	6,326
Printing, stationery and administration	10,808	10,503
Utilities and telecommunications	5,340	5,084
Others	34,521	24,143
	174,396	161,323

11. TAXATION

	2025 HK\$'000	2024 HK\$'000
Current tax		
Hong Kong Profits Tax	28,057	23,706
The People's Republic of China (the "PRC")		
Enterprise Income Tax ("EIT")	5,406	5,050
(Over)/under provision in prior years	(640)	208
	32,823	28,964
Deferred tax	2,031	751
	34,854	29,715

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 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% (2024: 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:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	115,741	97,802
Tax at Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	19,097	16,137
Effect of different tax rates applied in other jurisdictions	1,545	2,220
Tax effect of income not taxable for tax purpose	(2,589)	(1,901)
Tax effect of expenses not deductible for tax purpose	12,335	7,916
Utilisation of tax losses previously not recognised	(1,904)	(1,216)
Tax effect of tax losses not recognised	4,265	3,503
(Over)/under provision in prior years	(640)	208
Tax effect of withholding tax arising from undistributed profits of subsidiaries	1,525	1,726
Income tax at concessionary rate	(165)	(165)
Others	1,385	1,287
Taxation for the year	34,854	29,715

12. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 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	37,435	44,779
— Right-of-use assets	100,755	110,666
and after crediting:		
Interest income on bank deposits	15,574	12,068
Interest income on rental deposits	1,116	1,090
Rental income from investment properties net of negligible direct operating expenses	3,911	3,677

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:

	2025 HK\$'000	2024 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	81,258	68,285
	Number of shares	
	2025	2024
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	680,552,764	680,552,764

14. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared and paid of 3.5 HK cents (2024: 3.5 HK cents) per share	23,819	23,819
Final dividend proposed after the end of the reporting period of 2.5 HK cents (2024: 2.0 HK cents) per share	17,014	13,611
	40,833	37,430

The 2025 final dividend of 2.5 HK cents (2024: 2.0 HK cents) per share, amounting to approximately HK\$17,014,000 (2024: HK\$13,611,000), 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 2025 were approximately HK\$37,430,000 (2024: HK\$71,458,000).

15. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 HK\$'000	2024 HK\$'000
Wages, salaries, bonuses and allowances	437,191	434,110
Pension costs — defined contribution plans	14,027	14,507
	451,218	448,617

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	2025 Total emoluments HK\$'000
Yu Kam Shui, Erastus ⁽⁴⁾⁽⁶⁾	–	897	2,026	–	2,923
Yu Lai Chu, Eileen ⁽⁵⁾	–	897	2,026	–	2,923
Lai Yin Ping	–	897	2,026	–	2,923
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⁾	–	5,575	3,500	18	9,093
Total for the year 2025	1,000	8,266	9,578	18	18,862

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

- (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 (2024: one) was a director of the Company. Emoluments payable to the five individuals during the year were as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries and other allowances	23,697	21,909
Bonuses	3,500	3,500
Retirement benefit costs	54	54
	27,251	25,463

Their emoluments fell within the following bands:

	Number of individuals	
	2025	2024
Emolument bands		
HK\$4,000,001 — HK\$4,500,000	3	4
HK\$5,000,001 — HK\$5,500,000	1	—
HK\$8,500,001 — HK\$9,000,000	1	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 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
Write-off	(5)	–	–	–	(5)
At 30 September 2025	203	73,154	3,631	4,226	81,214
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 October 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
Charged for the year	–	–	690	–	690
At 30 September 2025	–	510	2,933	–	7,669
CARRYING VALUE					
At 30 September 2025	203	72,644	698	–	73,545
At 30 September 2024	208	72,644	1,388	–	74,240

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.

Trademarks of HK\$13,748,000 as at 30 September 2025 and 2024 is related to a specific product and service line acquired during the year ended 30 September 2021.

The recoverable amount of the trademarks with carrying amount of HK\$13,748,000 as at 30 September 2025 and 2024, 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 2025 and 2024 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 2023, 30 September 2024 and 2025	30,159
ACCUMULATED IMPAIRMENT	
At 1 October 2023	486
Impairment loss recognised (note (a))	11,429
At 30 September 2024 and 30 September 2025	11,915
CARRYING VALUE	
At 30 September 2025	18,244
At 30 September 2024	18,244

For the year ended 30 September 2025, goodwill of HK\$18,244,000 (2024: HK\$18,244,000) is attributable to the following CGUs.

- (a) The cash-generating units ("CGU"), CGU1A and CGU1B owns the distribution rights of a brand products in Hong Kong and Mainland China. According to the terms of the distribution agreement between the Group and the supplier, the distribution right in Mainland China had been expired in March 2025 and the distribution right in Hong Kong will not be renewed upon the expiration of the distribution agreement. The management of the Group concluded there was indication for impairment as at 30 September 2024 and conducted impairment assessment on carrying amounts of CGUs 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. An impairment loss recognised for goodwill is not reversed in subsequent period.

Based on the result of the assessment, the Group recognised impairment loss of HK\$12,006,000 related to the CGUs. Goodwill related to CGUs 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 of the CGUs respectively to the extent 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.

- (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 2025, 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 16.1% (2024: 17.1%). Revenue growth rate ranged from 0% to 2.4% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.4% 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 2025, 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 16.4% (2024: 17.5%). Revenue growth rate ranged from 0% to 2.4% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.4% 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 2025, 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 15.8% (2024: 16.6%). Revenue growth rate ranged from 0% to 2.4% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.4% 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 2025, 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 15.8% (2024: 16.6%). Revenue growth rate ranged from 0% to 2.4% in the first five years and a long-term growth rate in revenue beyond the 5-year period of 2.4% are used in the CGU5's cashflows.

Except for note (a), the management of the Group 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

	2025 HK\$'000	2024 HK\$'000
FAIR VALUE		
At the beginning of the year	192,041	225,033
Transferred from right-of-use assets	26,238	–
Decrease in fair value recognised in the consolidated statement of profit or loss and other comprehensive income	(42,341)	(32,992)
At the end of the year	175,938	192,041

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

	2025 HK\$'000	2024 HK\$'000
In Hong Kong	175,938	192,041

The fair value of the Group's investment properties at 24/F, Yuen Long Trade Centre, 99 – 109 Castle Peak Road, Yuen Long, New Territories, Hong Kong ("Investment Property A") and G/F, 1-5/F, 18 Cochrane Street, Central, Hong Kong ("Investment Property B") as at 30 September 2025 and Investment Property B as at 30 September 2024 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.

During the year ended 30 September 2025, the Group has transferred a property with fair value of HK\$26,238,000 from right-of-use assets to investment properties due to the change in use, which evidenced by inception of an operating lease to another party. At the date of transfer, the property is revalued 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 Group's investment properties are valued using the income capitalisation method by capitalising the net income from the existing tenancies and reversionary income potential at appropriate capitalisation rates for individual properties. The capitalisation rate adopted is derived by making reference to the yields achieved from analysis of comparable property investment transactions and valuer's view of prevailing investor expectations regarding rental growth and perceived risks.

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

19. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of the investment properties as at 30 September 2025 and 2024 are determined (in particular, the valuation techniques and inputs used):

Category	Fair value hierarchy	Fair value at		Valuation technique and key inputs	Significant unobservable inputs	Range of inputs		Relationship of inputs and significant unobservable inputs to fair value
		2025 HK\$'000	2024 HK\$'000			2025	2024	
Investment property A	Level 3	22,938	–	Income approach — by reference to capitalised income derived from existing tenancies and the reversionary potential of the properties	Capitalisation rate	5.2%	–	The higher the capitalisation rate, the lower the fair value
Investment property B	Level 3	153,000	192,041	Income approach — by reference to capitalised income derived from existing tenancies and the reversionary potential of the properties	Capitalisation rate	5.6% to 6.6%	3.5% to 3.8%	The higher the capitalisation rate, the lower 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 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
Additions	554	–	184	13,538	494	14,770
Disposals	–	–	–	(794)	(473)	(1,267)
Write-off	(12,251)	–	–	(891)	(91)	(13,233)
Exchange realignment	(43)	–	(2)	(31)	(1)	(77)
At 30 September 2025	195,870	5,057	11,859	142,198	13,068	368,052
Accumulated depreciation and impairment						
At 1 October 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
Provided for the year	24,928	333	709	10,584	881	37,435
Impairment loss	–	–	–	–	–	–
Eliminated on disposals	–	–	–	(794)	(471)	(1,265)
Eliminated on write-off	(11,281)	–	–	(887)	(86)	(12,254)
Exchange realignment	(15)	–	(2)	(26)	(1)	(44)
At 30 September 2025	167,342	4,751	10,932	115,264	10,982	309,271
Carrying value						
At 30 September 2025	28,528	306	927	26,934	2,086	58,781
At 30 September 2024	53,900	639	1,452	23,989	2,480	82,460

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 $\frac{1}{3}$ %
Computer equipment	33 $\frac{1}{3}$ %
Machinery and equipment	16 $\frac{2}{3}$ % to 20%
Office equipment, furniture and fixtures	16 $\frac{2}{3}$ % 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:

	2025 HK\$'000	2024 HK\$'000
Leasehold land and buildings	193,814	222,175
	2025 HK\$'000	2024 HK\$'000
At 1 October	222,175	316,024
Additions	99,097	17,560
Depreciation	(100,755)	(110,666)
Transferred to investment properties	(26,238)	–
Early termination/lease modification	(418)	(220)
Impairment loss	–	(567)
Exchange adjustment	(47)	44
At 30 September	193,814	222,175

Lease liabilities

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

	2025 HK\$'000	2024 HK\$'000
Current liabilities	84,325	83,812
Non-current liabilities	85,892	87,995
	170,217	171,807

During the year ended 30 September 2025, the total cash outflow for leases were HK\$107,285,000 (2024: HK\$122,257,000).

22. RENTAL DEPOSITS

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

23. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Finished goods	35,547	44,992

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:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	12,736	11,276
31 to 60 days	1,240	1,562
61 to 90 days	1,110	880
91 to 120 days	742	1,021
121 to 150 days	1,389	1,259
151 to 180 days	387	488
Over 180 days	544	49
	18,148	16,535

As at 30 September 2025, trade receivables from contracts with customers amounted to HK\$18,148,000 (2024: HK\$16,535,000).

As at 30 September 2025, included in the Group's trade receivable balances were debtors with aggregate carrying amount of HK\$102,000 (2024: HK\$29,000) 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 2025 are set out in note 36.

25. CONTRACT COSTS

	2025 HK\$'000	2024 HK\$'000
Incremental costs to obtain contracts	50,465	47,953

Contract costs capitalised as at 30 September 2025 and 2024 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\$110,124,000 (2024: HK\$90,402,000). 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 2.2% (2024: 2.5%) 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:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	3,235	2,029
31 to 60 days	116	3
Over 60 days	20	13
	3,371	2,045

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 to their original condition, as required by the terms and conditions of the lease if and when the Group vacates these leased properties.

29. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Sales of skincare products	4,344	6,758
Provision of treatment services in beauty salons, spas and medical beauty centres	664,824	573,098
	669,168	579,856

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:

	2025 HK\$'000	2024 HK\$'000
Sales of skincare products	6,708	6,103
Provision of treatment services in beauty salons, spas and medical beauty centres	444,717	443,936

30. SHARE CAPITAL

	<i>Number of shares</i>	<i>Amount HK\$'000</i>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 October 2023, 30 September 2024, 1 October 2024 and 30 September 2025	2,000,000,000	200,000
Issued and fully paid:		
At 1 October 2023, 30 September 2024, 1 October 2024 and 30 September 2025	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 2025 and 2024, 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 2023	(3,594)	576	(9,718)	(1,930)	4,645	(10,021)
Exchange realignment (Charged) credited to the consolidated statement of profit or loss and other comprehensive income	–	–	–	(115)	122	7
	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)
Exchange realignment Charged to the consolidated statement of profit or loss and other comprehensive income	–	–	–	61	(73)	(12)
	–	–	–	(1,525)	(506)	(2,031)
At 30 September 2025	(2,303)	1,640	(9,718)	(5,235)	2,808	(12,808)

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:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	4,448	5,027
Deferred tax liabilities	(17,256)	(15,792)
	(12,808)	(10,765)

At the end of the reporting period, the Group had unused tax losses of approximately HK\$149,900,000 (2024: HK\$147,711,000) 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 2025 and 2024 against which the unused tax losses can be utilised.

At the end of the reporting period, tax losses of approximately HK\$3,356,000 (2024: HK\$1,629,000) from non-Hong Kong incorporated subsidiaries will be expired starting from 2026 up to the end of 2030 (2024: starting from 2025 up to the end of 2029). The remaining portion of unused tax losses may be carried forward indefinitely.

33. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

a. Capital Commitments

	2025 HK\$'000	2024 HK\$'000
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the consolidated financial statements	673	3,858

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	2025 HK\$'000	2024 HK\$'000
Not later than 1 year	5,125	3,438
More than 1 year but not later than 2 years	2,958	2,760
More than 2 years but not later than 3 years	1,056	1,276
	9,139	7,474

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

34. 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.

	Dividend payable HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 October 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
Additions to lease liabilities	–	93,999	93,999
Early termination	–	(418)	(418)
Interest expenses on lease liabilities	–	7,927	7,927
Exchange adjustment	–	(85)	(85)
Financing cash flows	(37,430)	(103,013)	(140,443)
Dividend declared	37,430	–	37,430
At 30 September 2025	–	170,217	170,217

35. 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.

36. FINANCIAL INSTRUMENTS

a. Categories of Financial Instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Amortised cost	811,349	548,495
Financial liabilities		
Amortised cost	178,889	182,588

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 2025, 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.

36. 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 99% (2024: 97%) of the total trade receivables as at 30 September 2025.

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.

36. 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	
				2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost					
Trade receivables	N/A	low risk (note (a))	Lifetime ECL	18,148	16,535
Other receivables	N/A	low risk (note (b))	12m ECL	4,223	3,086
Deposits	N/A	low risk (note (b))	12m ECL	42,875	44,369
Bank balances	Aa2-A3	N/A	12m ECL	746,103	484,505

36. 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 2025 and 2024, 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 years ended 30 September 2025 and 2024.

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:

	2025 HK\$'000	2024 HK\$'000
Assets		
United States Dollar ("US\$")	20,467	393
Liabilities		
US\$	641	233

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

36. 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:

	2025 HK\$'000	2024 HK\$'000
Financial assets	65,650	54,186

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.

36. 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 2025 and 30 September 2024, 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 2025 HK\$'000
2025							
Trade payables	-	3,371	-	-	-	3,371	3,371
Other payables	-	5,301	-	-	-	5,301	5,301
Lease liabilities	7.8	98,035	64,121	24,929	-	187,085	170,217
		106,707	64,121	24,929	-	195,757	178,889
	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

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.

37. 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

37. 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
奥泉(上海)商贸有限公司 (note a)	The PRC 9 March 2006	US\$200,000	100%	Retail sales of skincare products and operating of beauty salons in Mainland China
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
Fancy Cheer Limited	Hong Kong 5 January 2015	Ordinary shares HK\$10,000	70%	Production and sales of healing tea in Hong Kong

37. 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
Oasis Billion Limited	Hong Kong 22 August 2019	Ordinary shares HK\$7,000,000	70%	Provision of dental 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
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.

38. RELATED PARTY TRANSACTION

Compensation of Key Management Personnel

	2025 HK\$'000	2024 HK\$'000
Directors' fees	1,000	1,000
Basic salaries	8,266	7,966
Bonuses	9,578	10,181
Retirement benefit costs	18	18
	18,862	19,165

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.

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		AS AT 30 SEPTEMBER	
	Notes	2025 HK\$'000	2024 HK\$'000
Non-current asset			
Investment in a subsidiary		3,000	3,000
Current assets			
Prepayments		556	396
Amounts due from subsidiaries	a	248,104	195,001
Bank balances		214	140
		248,874	195,537
Current liabilities			
Accruals and other payables		659	964
Amount due to a subsidiary	a	117,025	66,652
		117,684	67,616
Net current assets		131,190	127,921
Total assets less current liabilities		134,190	130,921
Capital and reserves			
Share capital		68,055	68,055
Reserves	b	66,135	62,866
Total equity		134,190	130,921

39. 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 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
Profit and total comprehensive income for the year	–	–	40,699	40,699
2024 final dividend paid	–	–	(13,611)	(13,611)
2025 interim dividend paid	–	–	(23,819)	(23,819)
At 30 September 2025	1,153	450	64,532	66,135

40. EVENT AFTER THE REPORTING PERIOD

There is no significant subsequent event after the reporting period.

Five-Year Financial Summary

		Year ended 30 September			
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
RESULTS					
Revenue	981,334	983,215	976,572	841,936	829,935
Profit before taxation	115,741	97,802	139,968	93,638	209,841
Taxation	(34,854)	(29,715)	(29,719)	(26,782)	(39,803)
Profit for the year	80,887	68,087	110,249	66,856	170,038
Profit for the year attributable to:					
Owners of the Company	81,258	68,285	110,320	67,432	170,340
Non-controlling interests	(371)	(198)	(71)	(576)	(302)
	80,887	68,087	110,249	66,856	170,038
STATEMENT OF FINANCIAL POSITION					
Total assets	1,431,098	1,246,075	1,222,760	1,261,160	1,358,216
Total liabilities	(1,077,235)	(934,519)	(909,882)	(959,182)	(999,451)
	353,863	311,556	312,878	301,978	358,765
Equity attributable to					
Owners of the Company	353,632	310,954	312,078	301,107	352,421
Non-controlling interests	231	602	800	871	6,344
	353,863	311,556	312,878	301,978	358,765

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.

Yu Lai Chu, Eileen

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

H.Y. Leung & Co. LLP, Solicitors

Reed Smith Richards Butler

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking

Corporation Limited

Hang Seng Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

Suite 3204, Unit 2A, Block 3, Building D

P.O. Box 1586, Gardenia Court

Camana Bay, Grand Cayman

KY1-1100

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17th Floor, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18th Floor, World Trade Centre

280 Gloucester Road

Causeway Bay

Hong Kong

STOCK CODE

1161

WEBSITE

www.wateroasis.com.hk

OASIS
homme

OASIS
beauty

OASIS
medical

OASIS
spa

OASIS
Hair Spa
生髮活髮中心

OASIS
mom
古法紫肚專家

OASIS
florist

ERNO LASZLO
NEW YORK

EB Eurobeauté

GLYCEL
SWITZERLAND

AesMedic

HABA 無添加主義®

肌源
InMedic
中醫診所

phMedic+

Hong Kong 香港 | Macau 澳門 | Mainland China 中國

www.wateroasis.com.hk

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