

[Home](#) ▶ [News & announcements](#) ▶ [News](#) ▶ [Enforcement news](#)

SFC commences Market Misconduct Tribunal proceedings against former CEO of Water Oasis Group Limited

14 Aug 2014

The Securities and Futures Commission (SFC) has commenced proceedings in the Market Misconduct Tribunal (MMT) against Ms Salina Yu Lai Si, the former Chief Executive Officer of Water Oasis Group Limited (Water Oasis), for alleged insider dealing in Water Oasis shares (Notes 1 & 2).

The SFC alleges that:

- on 20 January 2012 at around 10 am, H2O Plus LLC (H2O) informed Ms Yu that it would terminate Water Oasis's exclusive distributorship in H2O's products in the Mainland and Taiwan with immediate effect; and
- shortly after being notified by H2O, Ms Yu proceeded to sell all her Water Oasis shares in one of her securities trading accounts on the same day prior to an announcement by Water Oasis, and avoided a loss of around \$281,346 (Note 3).

The SFC also alleges that both the news about the termination of the exclusive distribution rights and the significance of the contribution of H2O's operations in the Mainland and Taiwan to the net profit of Water Oasis were not publicly known and were material to Water Oasis's share price (Note 4).

End

Notes:

1. Water Oasis, which was listed on The Stock Exchange of Hong Kong Limited in March 2002, principally distributes skincare products in Hong Kong, Macau, Taiwan, Singapore and the Mainland and operates beauty salons, spas and medical beauty centres in Hong Kong and the Mainland.
2. At the material time, Ms Yu was the Chief Executive Officer, a substantial shareholder and an executive director of Water Oasis. Ms Yu resigned as Water Oasis' Chief Executive Officer and executive director on 6 July 2012.
3. Water Oasis issued an announcement about the termination of the exclusive distribution rights in H2O products on 20 January 2012 at 10:13 pm.
4. On 26 January 2012, the first trading day after Water Oasis made the announcement on 20 January 2012, its share price dropped by 14.08% to close at \$1.22. On the same day, the Hang Seng Index rose 329 points or 1.64% to the level of 20,439.
5. The Notice to the MMT which contains the statement setting out the grounds for commencing the MMT proceedings will be available on the MMT's website (www.mmt.gov.hk).

Page last updated : 14 Aug 2014