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Water OASIS Group

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WATER OASIS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1161)

**CONDITIONAL CASH OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED ON BEHALF
OF
WATER OASIS GROUP LIMITED
TO REPURCHASE UP TO 88,000,000 SHARES
AT HK\$0.80 PER SHARE
AND
RESUMPTION OF TRADING**

Financial Adviser



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

A conditional cash offer will be made by Yu Ming on behalf of the Company in compliance with the Codes, subject to the Conditions, to repurchase for cancellation up to the Maximum Number of Shares, being 88,000,000 Shares (representing approximately 11.50% of the total issued share capital of the Company as at the date of this announcement) at the Offer Price of HK\$0.80 per Share.

The Shares to be repurchased by the Company will not exceed the Maximum Number of Shares. The maximum amount payable by the Company upon full acceptance of the Offer is HK\$70,400,000.

THE OFFER

The Offer Price of HK\$0.80 per Share represents:

- (i) a discount of approximately 2.44% to the closing price of the Shares of HK\$0.82 each as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 2.44% to the average price of approximately HK\$0.82, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 4.76% to the average price of approximately HK\$0.84, being the average closing price of the Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day; and
- (iv) a premium of approximately 95.12% over the Group's net asset value of approximately HK\$0.41 per Share pursuant to the latest audited consolidated accounts of the Company as at 30 September 2017.

The Offer will be subject to the fulfilment of the following Conditions:

- (a) the passing of an ordinary resolution by the Shareholders approving the Offer at the EGM by way of a poll;
- (b) the approval of any other appropriate regulatory authorities whose consent is required under any applicable laws and regulations in order for the Company to validly make the Offer (if any) where the Company is not aware of any such approvals being required as at the date of this announcement;
- (c) the compliance of the undertakings provided by the Undertaking Shareholders in respect of the Offer; and
- (d) it is expected that the public float of the Company will not be less than 25% upon completion of the Offer based on the information available to the Company immediately before the Offer becoming unconditional.

If the Offer is not approved by the Shareholders, the Offer will lapse. As the Offer is subject to the fulfillment of all of the Conditions, it may or may not become unconditional and the Offer may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

As at the date of this announcement, the Company does not believe that the Offer gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Offer Document.

GENERAL

Pursuant to Rule 5.1 of the Share Buy-backs Code and Rule 8.2 of the Takeovers Code, the Offer Document, which will contain details (including a timetable) of the Offer, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders, a letter from the Independent Board Committee to the Shareholders, a notice convening the EGM, the Acceptance Form and information relating to the procedures required for acceptance of the Offer, will be despatched to the Shareholders within 21 days of the date of this announcement.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Offer. Since no Shareholder has a material interest in the Offer which is different from the interest of the other Shareholders, no Shareholder is required to abstain from voting at the EGM.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Shareholders and the Independent Financial Adviser has been appointed with the approval of the Independent Board Committee as an independent financial adviser to advise it and the Shareholders in relation to the Offer.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted on the Stock Exchange at 9:00 a.m. on 9 April 2018 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 16 April 2018.

It should be noted that dealings in the Shares will continue during the period when the Conditions remain unfulfilled. Those Shareholders selling their Shares and persons purchasing the Shares during such period will accordingly bear the risk that the Offer may not become unconditional. If any Shareholder or other person contemplating selling or purchasing any of the Shares during this period is in any doubt about his or her position, it is recommended that he or she should consult his or her professional adviser.

INTRODUCTION

A conditional cash offer will be made by Yu Ming on behalf of the Company in compliance with the Codes, subject to fulfilment of the Conditions, to repurchase for cancellation up to the Maximum Number of Shares, being 88,000,000 Shares, representing approximately 11.50% of the total issued share capital of the Company as at the date of this announcement at the Offer Price of HK\$0.80 per Share.

The Shares to be repurchased by the Company will not exceed the Maximum Number of Shares. Upon acceptance of the Offer and upon the basis of the “Principal Terms of the Offer” set out below, the Company will pay the Accepting Shareholders HK\$0.80 per Share in cash.

As at the date of this announcement, save for 765,452,764 Shares in issue and 13,500,000 share options granted under the share option scheme adopted by the Company on 24 February 2012, there are no outstanding options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

PRINCIPAL TERMS OF THE OFFER

The Offer will be made by Yu Ming on behalf of the Company, subject to fulfilment of the Conditions to repurchase the Shares at the Offer Price, for up to the Maximum Number of Shares. All Shareholders are entitled to accept the Offer by submitting the Acceptance Forms to the Company.

The principle features of the Offer will be as follows:

- (a) The Company will repurchase up to the Maximum Number of Shares at the Offer Price.
- (b) Shareholders may submit Acceptance Forms in respect of any number of his or her Shares.
- (c) The Offer Price will be paid in cash.
- (d) Acceptance Forms which have been duly completed and received by or on behalf of the Company will be irrevocable after the Offer has been declared unconditional.
- (e) The Shares specified in an Acceptance Form will be repurchased in the following order:
 - (i) firstly, all the Shares up to the Assured Entitlement of an Accepting Shareholder; and

- (ii) secondly, on condition that there are Surplus Shares, that number of the Excess Number of Shares as is equal to the proportion which the Excess Number of Shares specified in the relevant Acceptance Form bears to the aggregate Excess Number of Shares in all the Acceptance Forms.
- (f) All Shares will be repurchased free of commissions and dealing charges, but seller's ad valorem stamp duty payable by the Accepting Shareholders and calculated at a rate of HK\$1.00 for every HK\$1,000 or part thereof of the market value of the Shares to be repurchased under the Offer or the consideration payable by the Company in respect of relevant acceptances of the Offer, whichever is the higher, will be deducted by the Company from the amount of cash payable to an Accepting Shareholder.

The Company will arrange for payment of the seller's ad valorem stamp duty on behalf of the Accepting Shareholders in respect of the Offer.
- (g) All repurchased Shares will be cancelled.
- (h) The Shares will be repurchased free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature. Accordingly, the submission of an Acceptance Form by an Accepting Shareholder will be deemed to constitute a warranty by him, her or it to Yu Ming and the Company that his or her Shares are sold free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the date of this announcement (including the right to all dividends and distributions (if any) declared, made or paid on or after the date of this announcement).

In compliance with Rule 3 of the Share Buy-backs Code, the Offer will be subject to the approval by the Shareholders by way of a poll. The Offer will also be subject to the other terms and conditions referred to under the section entitled "Conditions to the Offer" below. If the Offer is declared unconditional, Shareholders will be able to tender their Shares for acceptance under the Offer for a period of 14 days thereafter.

The consideration under the Offer will not be despatched until after the Acceptance Form is completed in all respects and the share certificate(s), and/or transfer receipts(s) and/or other document(s) of title satisfactory to the Company have been received. Assuming the Offer has become unconditional, Shares tendered under the Offer shall be paid for by the Company within 7 business days following the close of the Offer.

The full terms and details of the Offer will be set out in the Offer Document.

The Offer Price

The Offer Price of HK\$0.80 per Share represents:

- (i) a discount of approximately 2.44% to the closing price of the Shares of HK\$0.82 each as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 2.44% to the average price of approximately HK\$0.82, being the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 4.76% to the average price of approximately HK\$0.84, being the average closing price of the Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day; and
- (iv) a premium of approximately 95.12% over the Group's net asset value of approximately HK\$0.41 per Share pursuant to the latest audited consolidated accounts of the Company as at 30 September 2017.

Conditions to the Offer

The Offer will be conditional upon the following conditions being fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders approving the Offer at the EGM by way of a poll; and
- (b) the approval of any other appropriate regulatory authorities whose consent is required under any applicable laws and regulations in order for the Company to validly make the Offer (if any) where the Company is not aware of any such approvals being required as at the date of this announcement;
- (c) the compliance of the undertakings provided by the Undertaking Shareholders in respect of the Offer; and
- (d) it is expected that the public float of the Company will not be less than 25% upon completion of the Offer based on the information available to the Company immediately before the Offer becoming unconditional.

None of the conditions above is waivable.

If the Offer is not approved by the Shareholders, the Offer will lapse. As the Offer is subject to the fulfillment of all of the Conditions, it may or may not become unconditional and the Offer may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

As at the date of this announcement, the Company does not believe that the Offer gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Offer Document.

HIGHEST AND LOWEST SHARE PRICES

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$1.05 on 12 and 13 October 2017 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.80 on 29 March 2018.

CONFIRMATION OF FINANCIAL RESOURCES

The maximum amount payable by the Company under the Offer is HK\$70,400,000. The Offer will be satisfied by internal resources of the Company. Yu Ming has confirmed that sufficient financial resources are available to the Company to implement the Offer in full if the Maximum Number of Shares is repurchased.

UNDERTAKINGS IN RELATION TO THE OFFER

Each of (i) the Concert Group, interested in an aggregate of 494,345,280 Shares (representing approximately 64.58% of the issued share capital of the Company as at the date of this announcement); (ii) Mr. Tam Siu Kei, the Chief Executive Officer of the Company, together with his associates are interested in 5,222,000 Shares (representing approximately 0.68% of the issued share capital of the Company as at the date of this announcement); and (iii) Mr. Wong Chun Nam, Duffy, an independent non-executive Director and interested in 600,000 Shares (representing approximately 0.08% of the issued share capital of the Company as at the date of this announcement), has irrevocably undertaken to the Company that he/she and his/her respective associates will not accept the Offer.

ASSURED ENTITLEMENT AND EXCESS NUMBER OF SHARES

As at the date of this announcement, there are 765,452,764 Shares in issue. The Maximum Number of Shares subject to be repurchased pursuant to the Offer is 88,000,000 Shares.

The Undertaking Shareholders have undertaken that they will not accept the Offer for 500,167,280 Shares held by them. As such, each of the Accepting Shareholders is entitled to sell to the Company the Assured Entitlement of 663 Shares for every board lot of 2,000 Shares he, she or it owns as at the close of the Offer (assuming the number of the Shares in issue as at the date of this announcement remains unchanged until the completion of the Offer). The number of Shares which may be acquired from an Accepting Shareholder may be in excess of his or her Assured Entitlement in the event that there are Shareholders not submitting Acceptance Forms or the number of the Shares specified in some of the Acceptance Forms is less than the Assured Entitlements of the relevant Accepting Shareholders. The number of Shares so acquired will be dependent on the number of the Surplus Shares.

If the aggregate Excess Number of Shares falls below the Surplus Shares, all of the Excess Number of Shares will be repurchased by the Company. In the event of the aggregate Excess Number of Shares exceeding the Surplus Shares, each Accepting Shareholder whose Acceptance Form consists of Excess Number of Shares will be entitled to the repurchase by the Company of that number of the Excess Number of Shares as is equal to the proportion which the Excess Number of Shares specified in his or her Acceptance Forms bears to the aggregate Excess Number of Shares calculated in accordance with the formula below, save that the Company may in its absolute discretion round such figure up or down with the intention of avoiding (as far as practicable) Shares being held by Accepting Shareholders in odd lots or fractional entitlements:

$$\frac{E \times S}{A}$$

E = Excess Number of Shares specified in an Acceptance Form

A = aggregate Excess Number of Shares specified in all of the Acceptance Forms

S = Surplus Shares

The total number of the Shares which will be repurchased by the Company will not exceed the Maximum Number of Shares.

ODD LOTS ARRANGEMENTS

Currently, the Shares are traded in board lots of 2,000 Shares each. Such board lot size will not change as a result of the Offer. Shareholders should note that acceptance of the Offer may result in their holding of odd lots of the Shares. In order to facilitate the trading of odd lots of the Shares arising from the Offer, the Company will appoint a designated broker as matching agent to provide matching service, on a best effort basis, to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Shares. Details of the odd lot arrangements will be set out in the Offer Document.

OVERSEAS SHAREHOLDERS

The Offer Document will not be filed under the applicable securities or equivalent legislation or rules of any jurisdictions other than Hong Kong.

It is the responsibility of each Overseas Shareholder who wishes to accept the Offer to satisfy himself or herself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or compliance with other necessary formalities or legal requirements. Any acceptance of the Offer by any Shareholder shall be deemed to constitute a representation and warranty from such Shareholder to the Company that all applicable local laws and requirements have been observed and complied with. Overseas Shareholders should consult their professional advisers if in doubt.

NOMINEE REGISTRATION OF SHARES

To ensure equality of treatment of all Shareholders, those registered holders of the Shares who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in nominee names to accept the Offer, it is essential that they provide instructions to their nominee agents of their intentions with regard to the Offer.

DEALINGS IN SHARES

The Company has not repurchased or dealt in any Shares for the past six months prior to the date of this announcement, and will not conduct any on-market Share repurchase from the date of this announcement up to and including the date on which the Offer closes, lapses or is withdrawn, as the case may be.

The Undertaking Shareholders and parties acting in concert with each of them have confirmed that there has been no dealing in the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in the six months immediately prior to the date of this announcement and up to the date of this announcement.

OTHER ARRANGEMENTS

Save for the undertaking provided by the Undertaking Shareholders, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares entered into by the Company, the Undertaking Shareholders or parties acting in concert with each of them which might be material to the Offer.

Save for the undertaking provided by the Undertaking Shareholders, there is no agreement or arrangement to which the Company, the Undertaking Shareholders or parties acting in concert with each of them is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer. None of the Company, the Undertaking Shareholders or parties acting in concert with each of them has borrowed or lent any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

SHAREHOLDING STRUCTURES

Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon completion of the Offer (assuming all Shareholders, other than the Undertaking Shareholders, take up their Assured Entitlement); and (iii) upon completion of the Offer (assuming only SVF takes up its Assured Entitlement).

	As at the date of this announcement		Upon completion of the Offer (assuming all Shareholders, other than the Undertaking Shareholders, take up their Assured Entitlement)		Upon completion of the Offer (assuming only SVF takes up its Assured Entitlement)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Concert Group</i>						
Yu Lai Si (Note 1)	166,113,760	21.70%	166,113,760	24.52%	166,113,760	22.61%
Yu Lai Chu, Eileen (Note 2)	164,897,760	21.54%	164,897,760	24.34%	164,897,760	22.44%
Lai Yin Ling (Note 3)	155,333,760	20.29%	155,333,760	22.93%	155,333,760	21.14%
Yu Kam Shui, Erastus (Note 4)	8,000,000	1.05%	8,000,000	1.18%	8,000,000	1.09%
<i>Sub-total</i>	<i>494,345,280</i>	<i>64.58%</i>	<i>494,345,280</i>	<i>72.97%</i>	<i>494,345,280</i>	<i>67.28%</i>
Wong Chun Nam, Duffy (Note 5)	600,000	0.08%	600,000	0.09%	600,000	0.08%
Tam Siu Kei (Note 6)	5,222,000	0.68%	5,222,000	0.77%	5,222,000	0.71%
SVF (Note 7)	92,512,000	12.09%	61,824,094	9.13%	61,824,094	8.41%
Other public Shareholders	172,773,484	22.57%	115,461,390	17.04%	172,773,484	23.52%
<i>Sub-total (Note 8)</i>	<i>265,285,484</i>	<i>34.66%</i>	<i>177,285,484</i>	<i>26.17%</i>	<i>234,597,578</i>	<i>31.93%</i>
Total	765,452,764	100.00%	677,452,764	100.00%	734,764,858	100.00%

Notes:

1. Ms. Yu Lai Si personally holds 166,113,760 Shares.
2. Ms. Yu Lai Chu, Eileen is an executive Director. Ms. Yu Lai Chu, Eileen personally holds 9,564,000 Shares. Zinna Group Limited (“Zinna”), owned as to 75% by Ms. Yu Lai Chu, Eileen, 5% by Mr. Tam Chie Sang (an executive Director and the spouse of Ms. Yu Lai Chu, Eileen) and 20% by their son, Mr. Tam Yue Hung, holds 155,333,760 Shares. Ms. Yu Lai Chu, Eileen is interested in 164,897,760 Shares in aggregate.
3. Each of Advance Favour Holdings Limited and Billion Well Holdings Limited holds 77,666,880 Shares. They are wholly-owned by Ms. Lai Yin Ling.
4. Mr. Yu Kam Shui, Erastus is an executive Director and personally holds 8,000,000 Shares.
5. Mr. Wong Chun Nam, Duffy is an independent non-executive Director and personally holds 600,000 Shares.
6. Mr. Tam Siu Kei is the Chief Executive Officer of the Company. Mr. Tam Siu Kei personally holds 2,928,000 Shares and is interested in 2,294,000 Shares held by his spouse, Ms. Leung Pui Yi.
7. CM Assets Management (Hongkong) Company Limited is the investment manager of SVF.
8. As at the date of this announcement, SVF is not a public Shareholder as its shareholding in the Company is more than 10%. Upon completion of the Offer, the shareholding of SVF in the Company will fall below 10% and SVF will become a public Shareholder.

The public float of the Company has been below the minimum 25% requirement under Rule 8.08 of the Listing Rules since July 2017. Assuming (i) the Shareholders (other than the Undertaking Shareholders) accept their Assured Entitlement or only SVF accepts its Assured Entitlement; and (ii) no existing public Shareholder becomes a substantial Shareholder on or before completion of the Offer, SVF will become a public Shareholder and it is expected that the public float of the Company will be restored upon completion of the Offer. The Company intends to continue to meet the public float requirement under Rule 8.08 of the Listing Rules after completion of the Offer.

REASONS AND FINANCIAL EFFECT OF THE OFFER

Taking into account the thin liquidity of the Shares, the Board believes it is appropriate to utilize certain of the funds of the Company to purchase the Shares and to thereby provide a mechanism for the Shareholders to dispose of their Shares should they wish to do so.

In view of the above factors and having considered other methods of achieving its objectives with its professional advisers, the Board (other than the members of the Independent Board Committee who will express their opinion in the Offer Document) considers that the Offer is in the interest of the Shareholders as it will:

- (a) return part of the funds to the Shareholders pursuant to the Offer;
- (b) provide an opportunity but not an obligation for the Shareholders either to sell their Shares and receive cash or to increase their proportionate interests in the Company by retaining their holdings and participating in the future prospects of the Company;
- (c) have the effect of increasing the earnings per Share; and
- (d) restore the public float of the Company.

In determining the Maximum Number of Shares to be repurchased by the Company shall it be accepted in full under the Offer, the Board has taken into account the internal financial resources of the Group available to satisfy the Offer.

Details of the financial effects of the Offer on the Group will be set out in the Offer Document to be despatched to the Shareholders as soon as practicable.

INFORMATION ON THE GROUP

The Company is incorporated in Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange.

The Group is principally engaged in the provision of beauty services as well as the sales and distribution of retail skincare products in Hong Kong, Macau and PRC.

FUTURE INTENTIONS OF THE GROUP

The business and management of the Group will remain unchanged and the Company's listing on the Stock Exchange will be maintained upon completion of the Offer. It is intended that no major changes will be introduced to the businesses of the Group and the employment of the employees of the Group will be continued and the material fixed assets of the Group will not be redeployed as a result of the Offer.

GENERAL

Pursuant to Rule 5.1 of the Share Buy-backs Code and Rule 8.2 of the Takeovers Code, the Offer Document, which will contain details (including a timetable) of the Offer, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders, a letter from the Independent Board Committee to the Shareholders, a notice convening the EGM, the Acceptance Form and information relating to the procedures required for acceptance of the Offer, will be despatched to the Shareholders within 21 days of the date of this announcement.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Offer. Since there is no Shareholder has a material interest in the Offer which is different from the interest of the other Shareholders, no Shareholder is required to abstain from voting at the EGM.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Shareholders and the Independent Financial Adviser has been appointed with the approval of the Independent Board Committee as an independent financial adviser to advise it and the Shareholders in relation to the Offer.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company (including persons holding 5% or more of a class of relevant securities of the Company) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted on the Stock Exchange at 9:00 a.m. on 9 April 2018 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 16 April 2018.

It should be noted that dealings in the Shares will continue during the period when the Conditions remain unfulfilled. Those Shareholders selling their Shares and persons purchasing the Shares during such period will accordingly bear the risk that the Offer may not become unconditional. If any Shareholder or other person contemplating selling or purchasing any of the Shares during this period is in any doubt about his or her position, it is recommended that he or she should consult his or her professional adviser.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms used herein have the following meanings:

“Acceptance Form(s)”	form(s) to be sent to the Shareholders as part of the Offer Document for acceptance of the Offer
“Accepting Shareholder(s)”	Shareholder(s) (other than the Undertaking Shareholders) who accept(s) the Offer by submitting Acceptance Form(s)
“acting in concert”	having the meaning ascribed to it under the Takeovers Code
“Assured Entitlement(s)”	the aggregate number of the Shares which every Accepting Shareholder is entitled to be repurchased by the Company, calculated on the basis of 663 Shares for every 2,000 Shares (assuming the number of the Shares in issue as at the date of this announcement remains unchanged until the completion of the Offer) registered in the name of the relevant Accepting Shareholder
“Board”	the board of Directors
“Codes”	Hong Kong Codes on Takeovers and Mergers and Share Buy-backs
“Company”	Water Oasis Group Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 1161)

“Concert Group”	a group of Shareholders parties acting in concert, comprising Mr. Tam Chie Sang, Ms. Yu Lai Chu Eileen, Mr. Yu Kam Shui Erastus, Ms. Lai Yin Ping, Ms. Lai Yin Ling, Ms. Yu Lai Si and Mr. Tam Yue Hung and their respective associates, who in aggregate hold 494,345,280 Shares (representing approximately 64.58% of the issued share capital of the Company as at the date of this announcement)
“Conditions”	Conditions set out under the heading “Conditions to the Offer” to which the Offer is subject
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened in connection with the Offer
“Excess Number of Shares”	the number of the Shares specified in an Acceptance Form which is in excess of the Assured Entitlement of the relevant Accepting Shareholder
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, established to advise the Shareholders in respect of the Offer
“Independent Financial Adviser”	Altus Capital Limited, the independent financial adviser appointed to advise the Independent Board Committee and the Shareholders in relation to the Offer
“Last Trading Day”	6 April 2018, being the last trading day prior to the suspension of trading in the Shares pending the release of this announcement

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the People’s Republic of China
“Maximum Number of Shares”	the maximum number of the Shares to be repurchased pursuant to the Offer, being 88,000,000 Shares in aggregate, representing approximately 11.50% of the total issued share capital of the Company as the date of this announcement
“Offer”	the proposed voluntary conditional cash offer to be made by Yu Ming on behalf of the Company to repurchase the Maximum Number of Shares at the Offer Price from the Shareholders for cancellation
“Offer Document”	a circular to the Shareholders (comprising the offer document, the notice of EGM, the proxy form for voting at the EGM and the Acceptance Form) to be issued in connection with the Offer
“Offer Price”	HK\$0.80 per Share, being the repurchase price under the Offer
“Overseas Shareholder(s)”	Shareholder(s), whose addresses, as shown in the register of members of the Company, are outside Hong Kong
“PRC”	People’s Republic of China
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Buy-backs Code”	Hong Kong Code on Share Buy-backs
“Shareholder(s)”	holder(s) of the Shares

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surplus Shares”	being the Maximum Number of Shares less the aggregate Assured Entitlements received
“SVF”	Shareholder Value Fund, a Shareholder holding 92,512,000 Shares as at the date of this announcement
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Undertaking Shareholders”	collectively the Concert Group, Mr. Tam Siu Kei and Mr. Wong Chun Nam, Duffy
“Yu Ming”	Yu Ming Investment Management Limited, a corporation licensed under the SFO to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management), and a company incorporated in Hong Kong with limited liability, being the financial adviser of the Company in respect of the Offer
“%”	per cent.

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

Hong Kong, 13 April 2018

As at the date of this announcement, the executive directors of the Company are Mr. Yu Kam Shui, Erastus, Mr. Tam Chie Sang, Ms. Yu Lai Chu, Eileen and Ms. Lai Yin Ping. The independent non-executive directors of the Company are Prof. Wong Lung Tak, Patrick, B.B.S., J.P., Mr. Wong Chun Nam, Duffy, B.B.S., J.P. and Dr. Wong Chi Keung.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.