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~H₂O+
Water Oasis Group Limited

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1161)

DISCLOSEABLE TRANSACTION

On 28th April, 2004, the Purchaser entered into the Agreement with the Vendor for the sale and purchase of the Property. The consideration for the acquisition of the Property by the Purchaser is HK\$12,180,000.00.

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular in connection with the acquisition of the Property will be despatched to the shareholders of the Company as soon as practicable.

THE PROPERTY

Date of the

Agreement : 28th April, 2004

Vendors : Lam Leung Miu Leo, Ching Siu Har and Ching Siu Fong, being Independent Third Parties and as confirmor.

Purchaser : Master Advance Limited, a wholly-owned subsidiary of the Company.

Summary : The Agreement was entered into between the Purchaser and the Vendors pursuant to which the parties have agreed on the sale and purchase of the Property, which has a gross floor area of approximately 1,700 square feet. The consideration for the acquisition of the Property by the Purchaser is HK\$12,180,000.00. The parties are required to enter a formal agreement for the sale and purchase of the Property on or before 5th May, 2004.

The consideration for the purchase of the Property is payable in cash on completion. The Agreement is expected to be completed within 10 working days after the receipt of the notice of completion of the Property by the Purchaser.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTY

The Group is a skin-care and beauty group with exclusive distribution rights to the ~H₂O+ brand skincare product range in the Greater China region and Singapore. It also operates spa and beauty centers in Hong Kong under the brand names of "Oasis Spa", "Oasis Beauty" and "Oasis Beauty Homme", which offer wide varieties of massage and beauty services.

The Property is located in the southern district of Hong Kong and will be used by the Group as staff quarters. The acquisition of the Property will be funded through a combination of internal resources and bank financing, which is expected to be in the proportion of approximately 30% and 70% respectively.

GENERAL

The Directors are of the view that the acquisition of the Property is in the interest of the Company and the terms of the Agreement are on normal commercial terms, which are fair and reasonable as far as the shareholders of the Company are concerned.

The transaction contemplated under the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Directors confirm that the consideration for the Property have been determined after arm's length

negotiations between the parties by reference to the market value of similar properties in the same location.

A circular in connection with the acquisition of the Property will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

In this announcement, the following terms have the following meanings:

the provisional agreement dated 28th April, 2004 between the Vendors and the Purchaser for the sale and purchase of the Property;

Water Oasis Group Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Stock Exchange;

"Directors" the directors of the Company;

"Group" the Company and its subsidiaries;

"Independent Third Party" an independent third party not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules;

"Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange;

"Property" a property located at Flat B, 10th Floor, Tower 5, Residence Bel-Air Island South, Hong Kong;

"Purchaser" Master Advance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;

"Stock Exchange" The Stock Exchange of Hong Kong Limited; and

"Vendors" Lam Leung Miu Leo, Ching Siu Har and Ching Siu Fong

By Order of the Board of Directors
Cheng Chi Wai
Company Secretary

Dated: 30th April, 2004

As at the date of this announcement, the Directors include Yu Lai Si, Tam Chie Sang, Yu Lai Chu, Eileen, Yu Kam Shui, Erastus, Lai Yin Ping, Wong Lung Tak, Patrick JP and Wong Chun Nam, Duffy.