

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

~H₂O+

WATER OASIS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1161)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

The Board is pleased to announce that on 16 January 2008, Claire International Limited (“Claire International”), a wholly-owned subsidiary of the Company, acquired the Property situated at No.18 Cochrane Street, Hong Kong at a consideration of HK\$78,000,000 by way of public tender. Completion of the Acquisition is subject to the terms and conditions set out in the Particulars and Conditions of Sale.

On the basis that the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25% for the purpose of Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, further details of the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 16 January 2008, Claire International, a wholly-owned subsidiary of the Company, acquired the Property situated at No.18 Cochrane Street, Hong Kong at a consideration of HK\$78,000,000 by way of public tender. The completion of the Acquisition is subject to the terms and conditions set out in the Particulars and Conditions of Sale.

DETAILS OF THE ACQUISITION

Claire International submitted a tender for the acquisition of the Property at a consideration of HK\$78,000,000 on 10 January 2008. The tender constituted a binding offer on the part of Claire International. The Vendor confirmed its acceptance of Claire International's offer in writing on 16 January 2008. Completion of the Acquisition is subject to the terms and conditions set out in the Particulars and Conditions of Sale as follows:–

(1) Date

Tender Closing Date: 10 January 2008

Date of Acceptance of the Tender by the Vendor: 16 January 2008

(2) Parties

Vendor: Tung Sin Tan (formerly known as Tung Sin Tan Limited)

The Company confirmed that, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Tung Sin Tan is a charity organisation in Hong Kong and its ultimate beneficial owner are third parties independent of the Company and its connected persons. The Company further confirmed that the Company has no other prior transaction (other than the Acquisition) with the Vendor which would require to be aggregated with the Acquisition under Listing Rule 14.22.

Purchaser: Claire International, a wholly-owned subsidiary of the Company

(3) Property

The Property is the piece or parcel of ground known and registered in the Land Registry as Section C of Inland Lot No. 127 together with the messuages erections and buildings thereon now known as No. 18 Cochrane Street, Hong Kong.

(4) Consideration

The purchase price for the Property, also the book value thereof, is HK\$78,000,000 which is payable as follows:

- (a) HK\$3,000,000 has already been paid by Claire International as initial deposit on 10 January 2008 upon its submission of the tender in respect of the Property;
- (b) HK\$4,800,000 will be paid by Claire International as further deposit upon signing of the Formal Sale and Purchase Agreement on or before 21 January 2008; and
- (c) The balance of the consideration in the sum of HK\$70,200,000 shall be paid by Claire International upon completion on or before 1 April 2008.

The Company, having (i) made reference to the recent sale prices of non-residential premises in the vicinity in the Central District; (ii) taken into account the recent growth in the property market in Hong Kong and (iii) considered the fact that the Property constitutes the whole building and thus by acquiring the Property, the Company would have exclusive use of the whole building which is rare in the Central District, considered the consideration of HK\$78,000,000 to be fair and reasonable.

(5) Existing Tenancies of the Property

The Property is sold to Claire International with the seven existing tenancies in respect of the Property, five of which will expire on 31 January 2009, one of which will expire on 19 September 2009 and one of which will expire on 31 January 2010. The aggregate monthly rental of all the seven existing tenancies amounts to HK\$114,800 and based on the information available to the Company, as six tenancies were entered into on 1 February 2007 and one on 20 September 2006, the respective net profits generated from the Property in the preceding financial year ended 30 September 2007 and the 11 days from 20 to 30 September 2006 inclusive are estimated to be in the region of HK0.96 million and HK\$4,033.

(6) Completion

Completion shall take place on or before 1 April 2008.

REASONS FOR THE ACQUISITION

The Group is a skin-care and beauty group with exclusive distribution rights to the ~H₂O+ brand skin-care product range in Mainland China, Hong Kong, Macau, Taiwan and Singapore as well as exclusive distribution right to the global brand Neutrogena skin-care products at department store counters in Mainland China. It also operates spa and beauty centres in Hong Kong under the brand names of “Oasis Spa”, “Oasis Beauty”, “Aqua Beauty” and “Oasis Homme”, which offer a great variety of massage and beauty services.

The Property will be held by the Group as a flagship offering a full spectrum of comprehensive beauty and related services to our customers at Central District, being the prime location in Hong Kong. The Directors (including the independent non-executive directors) are of the view that the Acquisition was in the interest of the Group and the terms of the Acquisition were on normal commercial terms, which were fair and reasonable and in the interests of the Shareholders as a whole. The Directors have compared the market value of the properties nearby to arrive at the conclusion that the consideration of the Property is fair and reasonable.

The Acquisition will be partly funded through internal resources and partly through external financing. The details of the breakdown of the funding method have yet to be determined by the Company as at the date of this announcement.

GENERAL INFORMATION

As the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25% for the purpose of Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	The acquisition of the Property by Claire International pursuant to the Particulars and Conditions of Sale
---------------	--

“Board”	board of Directors
“Company”	Water Oasis Group Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Particulars and Conditions of Sale”	the Particulars and Conditions of Sale together with the form of tender in respect of the sale and purchase of the Property by public tender
“Property”	the piece or parcel of ground known and registered in the Land Registry as Section C of Inland Lot No. 127 together with the messuages erections and buildings thereon now known as No. 18 Cochrane Street, Hong Kong
“Shareholder(s)”	holder(s) of the shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board

YU Lai Si

Executive Director and Chief Executive Officer

Hong Kong, 21 January 2008

As at the date of this announcement, the executive directors of the Company are Yu Lai Si, Tam Chie Sang, Yu Lai Chu, Eileen, Yu Kam Shui, Erastus and Lai Yin Ping. The independent non-executive directors of the Company are Wong Lung Tak, Patrick JP, Wong Chun Nam and Wong Chi Keung.

This announcement will be published on HKEx website at <http://www.hkex.com.hk> and on the Company’s website at <http://www.wateroasis.com.hk>.