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Water OASIS Group

奧 思 集 團

WATER OASIS GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1161)

POSITIVE PROFIT ALERT

This announcement is made by Water Oasis Group Limited (“**Company**” and together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Future Ordinance, Chapter 571, the Laws of Hong Kong.

Based on the preliminary unaudited consolidated management accounts of the Group for the year ended 30 September 2014 (“**FY2014**”), the board of directors of the Company (“**Board**”) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that the Group is expected to record a consolidated profit for the FY2014, which is encouragingly higher than the Group’s consolidated profit for the year ended 30 September 2013 (“**FY2013**”) (being approximately HK\$30,880,000).

The estimated increase in the Group’s consolidated profit for FY2014 (by approximately 40% over FY2013) is primarily attributable to strong growth in profit generated by the Group’s beauty business operations, namely, Oasis Beauty, Oasis Medical Centre, Oasis Spa and Glycel, and retail business, Erno Lazlo; and a modest increase in the fair value of the investment properties held by the Group of about HK\$6.7 million (FY2013: HK\$32.5 million), offsetting the effect of the reversal of the deferred tax assets previously recognized up to FY2013 attributable to the closure of the Group’s department store concession counters operations in China (of about HK\$7.6 million) while retaining its retail store operations, and losses (albeit less than that recorded in FY2013) attributable to the Group’s underperforming business operations in Taiwan which ceased in the first half of FY2014, and the absence of certain costs and expenses recorded in FY2013 that have not recurred in FY2014. These costs and expenses include the one-off additional staff costs recognized during FY2013 of approximately HK\$21.9 million and the interest expense (FY2013: approximately HK\$3.6 million) attributable to the Company’s HK\$39 million convertible bonds that was redeemed in May 2013.

The Company is in the process of finalizing the results of the Group for FY2014. The information contained in this announcement represents a preliminary assessment by the Board based on information currently available to it, and is not based on any figures or information which have been audited or reviewed by the Company's independent auditor.

Shareholders and potential investors are, therefore, advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
WATER OASIS GROUP LIMITED
Yu Kam Shui, Erastus
Executive Director

Hong Kong, 14 November 2014

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, J.P. and Dr. Wong Chi Keung.