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## **WATER OASIS GROUP LIMITED**

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

### **HIGH CONCENTRATION OF SHAREHOLDING**

This announcement is made at the request of the Stock Exchange in respect of the concentration of shareholding of the Company in the hands of a limited number of investors as at 12 March 2008.

The Company has been informed by the Stock Exchange on 8 April 2008 that based on the information provided by the SFC, as at the close of business of 12 March 2008, three substantial shareholders, two executive directors, two independent non-executive directors together with 22 entities held in aggregate 331,505,280 Shares representing approximately 91.62% of the issued share capital of the Company, leaving 30,330,720 Shares representing approximately 8.38% of the issued share capital of the Company in the hands of other entities.

**The Company wishes to draw the attention of the investing public to the high concentration of shareholding and be reminded to exercise caution when dealing with the shares of the Company.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to provide information to the public in respect of the concentration of shareholding of Water Oasis Group Limited (the “**Company**”) in the hands of a limited number of investors as at 12 March 2008.

The Company has been informed by the Stock Exchange on 8 April 2008 that based on the information provided by the Securities and Futures Commission (“**SFC**”), SFC had conducted a review of the shareholding distribution of the Company as at 12 March 2008. Its analysis revealed that (1) three substantial shareholders, namely Yu Lai Si, Yu Lai Chu, Eileen and family, and Lai Yin Ling held in aggregate 241,670,640 shares of the Company (the “**Shares**”) (or 66.79% of the then issued share capital of the Company); (2) two executive directors of the Company together held 5,000,000 Shares (or 1.38% of the then issued share capital of the Company); (3) two independent non-executive directors of the Company together held 1,200,000

Shares (or 0.34% of the then issued share capital of the Company); and (4) 22 entities, held in aggregate, 83,634,640 Shares (or 23.11% of the then issued share capital of the Company), leaving 30,330,720 Shares, representing approximately 8.38% of the then issued share capital of the Company in the hands of other small investors with shareholding less than 0.28% each. SFC further noted that 10 out of 22 identified shareholders, who held, in aggregate 20,864,000 Shares (or 5.77% of the then issued share capital of the Company) are apparently associated with each other. They were the major buyers during the review period from 4 February 2008 to 12 March 2008.

SFC further noted that the share price of the Company rallied up 77% from HK\$1.11 to HK\$1.97 with a thin average daily turnover of 1,551,769 Shares during the review period between 4 February 2008 and 12 March 2008.

Therefore, the Company wishes to draw the attention of the investing public to the high concentration of shareholding and remind the public to exercise caution when dealing with the Shares.

The board of directors of the Company (the “**Directors**”) wishes to clarify that as the above information is provided by SFC, the Company is not in a position to verify or comment on the accuracy of such information except the information relating to the shareholding of the three substantial shareholders, two executive directors and two independent non-executive directors.

So far as the Directors are aware and after making all reasonable enquiries and based on the existing information available to the Directors, the Directors confirm that the Company has no knowledge of the identities of those 22 entities and their respective shareholdings in the Company. The Company has no knowledge whether those 22 entities were as at 12 March 2008 or as at the date of this announcement (a) connected persons of the Company or (b) related to/connected with each other and/or any of the connected persons of the Company.

So far as the Directors are aware and after making all reasonable enquiries, the Directors confirm that Yu Lai Si, Yu Lai Chu, Eileen and family, and Lai Yin Ling have no knowledge of the identities of those 22 entities and whether or not the 22 entities are related to/connected with any of the connected persons of the Company.

To the best knowledge of the Directors and after making all reasonable enquiries and based on the existing information available to the Directors, the Directors confirm that the Company has maintained the public float of 31.49% as at 12 March 2008 and as at the date of this announcement. Accordingly, the Company is in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Pursuant to the latest notification received by the Company and the information as stated in the website of the Stock Exchange in respect of disclosure of interests under the Securities and Futures Ordinance, and having made all reasonable enquiries with the Directors, to the best knowledge of the Company, the Company confirms that the shareholding structure of the Company as at the date of this announcement is as follows:

<b>Shareholders</b>	<b>Number of Shares</b>	<b>Approximate %</b>
Yu Lai Si ( <i>Note 4</i> )	80,356,880	22.21
Zinna Group Limited ( <i>Note 1</i> )	77,666,880	21.47
Advance Favour Holdings Limited ( <i>Note 2</i> )	38,833,440	10.73
Billion Well Holdings Limited ( <i>Note 3</i> )	38,833,440	10.73
Tam Chie Sang and Yu Lai Chu, Eileen ( <i>Note 4</i> )	5,980,000	1.65
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	241,670,640	66.79
Yu Kam Shui, Erastus and Lai Yin Ping ( <i>Note 4</i> )	5,000,000	1.38
Wong Lung Tak, Patrick, J.P. ( <i>Note 5</i> )	600,000	0.17
Wong Chun Nam ( <i>Note 5</i> )	600,000	0.17
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	247,870,640	68.51
Public shareholders	113,965,360	31.49
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Total	<u>361,836,000</u>	<u>100.00</u>

*Note 1* Zinna Group Limited is a Hong Kong company. All of its voting rights are held by Royalion Worldwide Limited, a British Virgin Islands company, which is 51% owned by Tam Chie Sang and 49% owned by his spouse, Yu Lai Chu, Eileen, both are directors of the Company.

*Note 2* Advance Favour Holdings Limited is a British Virgin Islands company beneficially owned by Lai Yin Ling, sister of Lai Yin Ping, a director of the Company and Lai Yin Ling does not hold any position in the Company and its subsidiaries.

*Note 3* Billion Well Holdings Limited is a British Virgin Islands company beneficially owned by Lai Yin Ling, sister of Lai Yin Ping, a director of the Company.

*Note 4* Executive directors of the Company.

*Note 5* Independent non-executive directors of the Company.

**In view of the high concentration of shareholding in a limited number of investors, holders of securities of the Company and potential investors should be aware that the prices of the Shares could fluctuate substantially even with a small number of the Shares being traded. Holders of the securities of the Company and potential investors are advised to exercise caution when dealing with the Shares.**

By Order of the Board

**YU Lai Si**

*Executive Director and Chief Executive Officer*

Hong Kong, 10 April 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, J.P., Wong Chun Nam and Wong Chi Keung.*