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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)

PROFIT WARNING

This announcement is made by Water Oasis Group Limited (the “**Company**” and together with its subsidiaries, the “**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, the board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that the unaudited consolidated interim profit after taxation for the six months ended 31 March 2014 (the “**Period**”) is expected to be significantly less than the unaudited consolidated interim profits after taxation of HK\$18.6 million recorded for the six months ended 31 March 2013 (“**1H 2013**”).

The estimated decrease in the Group’s results for the Period is primarily due to (i) no or only a small gain on fair value change of investment properties of the Group as at the end of the Period (1H2013: HK\$32.2 million, the effect of which was reduced by the one-off provision of HK\$21.9 million for additional payment obligations in respect of the remuneration and entitlements of certain employees during 1H 2013); and (ii) the possible reversal of all or part of the deferred tax assets previously recognised up to the year ended 30 September 2013 attributable to the Group’s department store concession counters operations in the PRC (of approximately HK\$7.6 million) while retaining its retail store operations. Neither of the above factors are cash items, and consequently they do not have any direct impact on the cash flow of the Group.

The Group's strategy to focus on "strengthening the core and seeding for the future" as stated in the Company's annual report 2013 is delivering satisfactory results such that if the effects of the above factors were disregarded for both 1H 2013 and the Period, the unaudited consolidated profits after taxation of the Group for the Period would show an improvement over that for 1H 2013.

As the Group's unaudited interim results for the Period have not yet been finalised, the information contained in this announcement is based on information that is currently available and the preliminary unaudited consolidated management accounts of the Group which have not yet been reviewed by the Company's audit committee or independent auditor. The unaudited interim results of the Group for the Period are expected to be published in late May 2014.

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

On behalf of the Board
WATER OASIS GROUP LIMITED
Yu Kam Shui, Erastus
Executive Director

Hong Kong, 30 April 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.