



Press Release
(For immediate release)

**Water Property acquires 60% interest in
large commercial and residential project in Hangzhou
to further expand property business in Hangzhou**

(24 May 2010, Hong Kong) China Water Property Group Limited (“Water Property” or the “Company”, together with its subsidiaries referred to as the “Group”; stock code: 02349.HK) is pleased to announce that the Group entered into an agreement with individual third parties for a proposed acquisition of a 60% equity interest in a commercial and residential project in a master planned central business district of Yuhang, Hangzhou City, Zhejiang Province. The total consideration for the transaction is RMB87 million, of which, RMB18 million will be paid in cash, and the remaining RMB69 million will be paid by issuing the Company’s shares to the individual third parties at HKD0.15 per share. The seller of this project guarantees that the profit before taxation from the sale of all units shall not be less than RMB400 million. Otherwise, the individual third parties will pay the difference between the guaranteed profit and actual profit to Water Property. Moreover, the price of shares issued to the individual third parties is higher than the present market price, which fully reflects their confidence as to the Company’s prospects.

With a total land area of 16,448 sq.m², the project covers a gross floor area of 116,000 sq.m² and comprises three high-rise towers including offices and hotel service apartments built on a four-storey retail podium. Located in the master planned central business district in Yuhang, it will be adjacent to the south station of the Shanghai-Hangzhou High-Speed Railway and the terminal of Hangzhou Metro Line 1. It is 30 minutes to Shanghai by the express railway. With the location and timing advantages, the project is another stepping stone in Hangzhou City for the Company after its villa project on Qiandao Lake.

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About China Water Property Group Limited

China Water Property Group Limited is a diversified enterprise which engages mainly in two key businesses: (i) property development and investment in the PRC; (ii) food related business. It is listed on the main board of the Stock Exchange of Hong Kong Limited (Stock Code: 02349.HK). With the goal of becoming a leading property developer in the PRC, Water Property seeks to



increase its land bank with suitable sites in a number of cities with good development potential.

Investor and Media Enquiries:

PRChina
David Shiu
Tel: 852-2522 1368
Email: dshiu@prchina.com.hk

PRChina
Eric Song
Tel: 852-2522 2823
Email: esong@prchina.com.hk