



Press Release

(For immediate release)

Water Property makes foray into luxury villa market Acquires 60% interest in Qiandao Lake project

(1 April 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 to develop a low-density luxury villa project on Qiandao Lake, Hangzhou City, Zhejiang Province by acquiring a 60% equity interest in Hangzhou Pu Tian Property Development Co., Ltd. The consideration for the transaction was RMB150 million. The Group is guaranteed that the profit before taxation from the sale of all units of the project shall not be less than RMB400 million.

Qiandao Lake is a prime scenic spot in China. It overlooks a magnificent view of natural scenery and is easily accessible. Moreover, it boasts a full range of facilities for business and vacation travel, as the project is in the vicinity of a national tourist complex developed by the local government and other developers. Upon completion of the Shanghai-Hangzhou Express Railway, it will take only an hour to travel from Hangzhou to Shanghai. The project comprises 27 blocks of villas. Each unit covers a gross floor area of 1,000 sq.m. and has private docking facilities, a garden, a swimming pool, an independent lift and a wine cellar. The outer walls are made of high quality materials to ensure a last-lasting colorful appearance. The management company also provides excellent private housekeeping services to meet the requirements of high-end residents.

The villa project will appeal to high-end customers in the Yangtze River Delta. Management of Water Property commented, “The project enables us to extend our reach to Hangzhou City, thereby helping us to further expand our operations in the Yangtze River Delta and strengthen our brand image.”

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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.

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