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中國水務地產集團有限公司
CHINA WATER PROPERTY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2349)

REDEMPTION OF CONVERTIBLE NOTES

A Convertible Noteholder has exercised its right to require the Company to redeem the Convertible Notes with a principal amount of HK\$35,500,000 held by it at the Early Redemption Price of HK\$45,606,211. The Company has on 27 May 2010 redeemed the Convertible Notes at the Early Redemption Price in accordance with the terms of the Convertible Notes. After the redemption of the Convertible Notes, Convertible Notes of principal amount HK\$20,500,000 remain outstanding.

The Board considers that the redemption of the Convertible Notes has no material adverse impact on the existing business of the Group.

Reference is made to the announcements (the “Announcements”) of the Company dated 24 October 2007 and 7 July 2009 in relation to, among others, the Convertible Notes. Unless otherwise defined, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

A Convertible Noteholder has exercised its right to require the Company to redeem the Convertible Notes with a principal amount of HK\$35,500,000 held by it at the Early Redemption Price of HK\$45,606,211. The Company has on 27 May 2010 redeemed the Convertible Notes at the Early Redemption Price in accordance with the terms of the Convertible Notes. After the redemption of the Convertible Notes, Convertible Notes of principal amount HK\$20,500,000 remain outstanding.

The Board considers that the redemption of the Convertible Notes has no material adverse impact on the existing business of the Group.

By order of the Board
China Water Property Group Limited
Wang Wenxia
Vice Chairman

Hong Kong, 27 May 2010

As at the date of this announcement, the Board comprises Mr. But Ka Wai (Chairman), Ms. Wang Wenxia (Vice Chairman), Mr. But Chai Tong (Vice Chairman), Mr. Sun Zhen Yu and Mr. Ren Qian as executive Directors, Mr. Zhou Kun as non-executive Director and Mr. Chen Ziqiang, Mr. Tam Pei Qiang and Ms. Li Ling as independent non-executive Directors.