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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)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of China Water Property Group Limited (the “**Company**”) will be held at Room 1816-17, 18/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on (Thursday) 24 June 2010 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions:

### **ORDINARY RESOLUTIONS**

1. “**THAT**

- (a) the conditional agreement (the “**Agreement**”, details of which are disclosed in the circular of the Company dated 7 June 2010 (the “**Circular**”)) dated 21 May 2010 entered into between China Water Property (Hong Kong) Development Limited, a wholly-owned subsidiary of the Company, as purchaser (the “**Purchaser**”) and 鄭廷玉 (Zheng Tingyu<sup>#</sup>) as vendor (the “**Vendor**”) in relation to, among other matters, the sale and purchase of the 6,000 ordinary shares of HK\$1.00 each in the issued share capital of HK Mei Lai International (Canada) Limited (“**HK Subsidiary**”) (the “**Sale Shares**”) and approximately 60% of the sum of the outstanding loans (the “**Sale Loan**”) owed by the HK Subsidiary and 杭州尼加拉置業有限公司 (Hangzhou Niagara Real Estates Co., Ltd.<sup>#</sup>) to the Vendor on completion of the Agreement for a total consideration of RMB87,000,000 (equivalent to approximately HK\$98,864,000) (a copy of the Agreement is marked “A” and produced to the Meeting and signed by the chairman of the Meeting (the “**Chairman**”) for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;
- (b) any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Agreement and the transactions contemplated thereunder; and

(c) the allotment and issue of the Consideration Shares (as defined in the Circular) credited as fully paid at the Issue Price (as defined in the Circular) to the Vendor in accordance with the terms and conditions of the Agreement and the transactions contemplated thereunder be and is hereby approved.”

2. “**THAT** the Share Option Scheme adopted by the Company on 3 June 2003 (the “**Share Option Scheme**”), copy of which has been produced to the Meeting marked “B” and signed by the Chairman for identification purpose, be amended as follows:

(a) Clause 6.4(a)

by deleting the words “12 months” and substituting therewith the words “3 months” immediately after the words “following the date of cessation of employment” in Clause 6.4(a) of the Share Option Scheme;

(b) Clause 9.1

the existing Clause 9.1 of the Share Option Scheme in its entirety and replaced by the following new Clause 9.1:

“9.1 In the event of any alternation in the capital structure of the Company whilst any Option remains exercisable or the Scheme remains in effect, and such event arises from a capitalisation issue, rights issue or other offer of securities to the Shareholders (including any securities convertible into share capital or warrants or options to subscriber for any share capital of the Company, but excluding Options under the Scheme and options under any other similar employee share option scheme of the Company), repurchase, sub-division or consolidation of the Shares or reduction of capital in the Company or otherwise howsoever (excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party) then, in any such case (other than in the case of capitalisation of profits or reserves), the Company shall instruct the Auditor or an independent financial adviser to certify in writing:

(A) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to

(i) the number or nominal amount of Shares to which the Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or

(ii) the Subscription Price; and/or

(iii) the maximum number of Shares referred to in Clauses 8.1 and 8.2; and/or  
or

(iv) the method of the exercise of the Options,

or any combination thereof, as an independent financial adviser appointed by the company or the Auditors shall certify in writing to the Directors, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that:

- (i) any such alterations shall give a Grantee the same proportion of the issued share capital of the Company as that to which he was previously entitled;
  - (ii) any such alternation shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
  - (iii) no such alterations shall be made the effect of which would be to enable any Share to be issued at less than its nominal value; and
  - (iv) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.
- (B) in respect of any such adjustment, other than any made on capitalisation issue, the independent financial adviser or the Auditors must confirm to the Directors in writing that the adjustment so made satisfies the requirements of Rule 17.03(13) of the Listing Rules, the supplementary guidance issued by the Stock Exchange on 5 September 2005, any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.”;

and the above amendments to the Share Option Scheme (the “**Amendments**”) be and are hereby approved and adopted and any director(s) of the Company be and is hereby authorized to do all such acts and execute such documents as may be necessary, desirable or expedient in order to give full effect to the Amendments to the Share Option Scheme.”

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

Hong Kong, 7 June 2010

# *The English translation of Chinese names or words in this notice, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*Registered office:*

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Grand Cayman  
KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Room 1816-17, 18/F  
Sun Hung Kai Centre  
30 Harbour Road  
Wanchai, Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxies (if the member is a holder of two or more shares) to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above Meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. Amounts denominated in RMB in this notice has been converted into HK\$ at the rate of HK\$1 = RMB0.88 for illustration purpose only.
5. The voting on the resolution at the Meeting will be conducted by way of a poll.

*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.*