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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)

**CHANGE OF CHAIRMAN OF THE BOARD
AND
CHANGE OF DIRECTORS**

The Board hereby announces the following changes of the Board with effect from 25 October 2010:

- (1) Mr. Duan has been appointed as the Chairman and the non-executive Director; and
- (2) Mr. But resigned as the Chairman and the executive Director.

The Board would like to take this opportunity to express its sincere gratitude to Mr. But for his commitments and valuable contributions to the Company during his tenure of office and, the Board would like to express its warmest welcome to Mr. Duan for his joining to the Board.

(1) APPOINTMENT OF THE CHAIRMAN AND THE NON-EXECUTIVE DIRECTOR

The board (the “Board”) of the directors (the “Directors”) of China Water Property Group Limited (the “Company”) announces that Mr. Duan Chuan Liang (“Mr. Duan”) has been appointed as the chairman of the Board (“Chairman”) and non-executive Director with effect from 25 October 2010.

Mr. Duan, aged 47, was appointed as the chairman and executive director of China Water Affairs Group Limited (“China Water Affairs”) (Stock Code: 855), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in 2003. Mr. Duan was graduated from the North China College of Water Conservancy and Hydro Power with a bachelor degree, major in irrigation and water conservancy works. Mr. Duan had been working for the Water Conservancy Department of the PRC Government for more than ten years. At present, Mr. Duan is a director of numerous enterprises in the PRC.

Mr. Duan is the chairman, the executive director and the substantial shareholder of China Water Affairs. China Water Affairs is the substantial shareholder of the Company. Save as disclosed above, Mr. Duan is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Mr. Duan holds the following interest in the shares of the Company (long position) within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”):

Name of Director	Capacity/ Nature of interest	Number of shares (Long position)	Approximate percentage of the issued shares
Mr. Duan (<i>Note</i>)	Beneficial owner and interest of controlled corporation	3,518,039,504	28.75%

Note: The 3,518,039,504 ordinary shares consist of 787,706,172 shares held by China Water Affairs, 1,197,000,000 shares held by Sharp Profit Investments Limited (“Sharp Profit”) and 1,533,333,332 shares held by Good Outlook Investments Limited (“Good Outlook”) which are wholly owned subsidiaries of China Water Affairs. Therefore, China Water Affairs was deemed to be beneficially interested in the shares of the Company held by Sharp Profit and Good Outlook for the purposes of the SFO.

Mr. Duan also holds approximately 10.27% issued share capital of Sunshine Capital Investments Group Limited (“Sunshine Capital”) (Stock Code: 721), a company listed on the main board of the Stock Exchange. Sunshine Capital in turn holds approximately 744,562,216 Shares, representing approximately 6.08% issued share capital of the Company. Save for his interests in Sunshine Capital, Mr. Duan is independent of and not connected with the Company and its connected persons. Save as disclosed above, Mr. Duan does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

There is no letter of appointment entered into between the Company and Mr. Duan. He shall hold office until the next annual general meeting of the Company and thereafter shall be subject to retirement by rotation and re-election once every three years at the Company’s annual general meetings in accordance with the articles of association of the Company.

Mr. Duan will be entitled to an emolument which will be determined after arm’s length negotiation between both parties with reference to his duties and responsibilities with the Company. The details of Mr. Duan’s term of service and amount of emolument entitled to will be announced by separate announcement in due course. Save as disclosed above, there are no other matters about the appointment of Mr. Duan as the Chairman and non-executive Director which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

(2) RESIGNATION OF THE CHAIRMAN AND THE EXECUTIVE DIRECTOR

The Board announces that Mr. But Ka Wai (“Mr. But”) has resigned as the Chairman and the executive Director with effect from 25 October 2010 for the reason that he has other engagements which require more of his dedication.

Mr. But has confirmed that no disagreement with the Board and that there are no other matters that need to be brought to the attention of The Stock Exchange of Hong Kong Limited and/or the shareholders in connection with his resignation.

The Board would like to take this opportunity to express its sincere gratitude to Mr. But for his commitments and valuable contributions to the Company during his tenure of office and, the Board would like to express its warmest welcome to Mr. Duan for his joining to the Board.

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

Hong Kong, 25 October 2010

As at the date of this announcement, the Board comprises Ms. Wang Wenxia (Vice Chairman) and Mr. Ren Qian as executive Directors, Mr. Duan Chuan Liang (Chairman) and Mr. Zhou Kun as non-executive Directors and Mr. Chen Ziqiang, Mr. Chan Pok Hiu and Mr. Wong Chi Ming as independent non-executive Directors.