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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)**

### PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders and potential investors of the Company that the Group expects to record a significant loss in the financial results for the six months ended 30 June 2013 as compared to the profit for the six months ended 30 June 2012.

As the result of the Group for the period ended 30 June 2013 have not been finalised, the Board is not in a position to quantify the exact financial effects as at the date of this announcement.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by China Water Property Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

Based on the information currently available to the Group, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Group expects to record a significant loss in the financial results for the six months ended 30 June 2013. Although the Group expects to record a significant increase in revenue for the six months ended 30 June 2013 as compared to the same for the corresponding period for the six months ended 30 June 2012 with achieving strong sales for the residential properties developed by the Group in the People’s Republic of China (the “**PRC**”), a significant loss is expected to be recorded for the period. The loss is primarily driven by (1) decrease in fair value gain on revaluation of investment properties of

the Group in the PRC, (2) one-off share option expenses in relation to the share options granted and (3) the increase in finance cost due to the increase in general borrowings by the Group during the six months ended 30 June 2013.

The information contained in this announcement is based on the preliminary review and assessment by the management of the Company according to the unaudited management accounts of the Group for the six months ended 30 June 2013, which is unaudited and the figures contained therein shall be subject to further review and adjustments.

As the result of the Group for the period ended 30 June 2013 have not been finalised, the Board is not in a position to quantify the exact financial effects as at the date of this announcement. The Group's interim results for the six months ended 30 June 2013 will be published by the end of August 2013 in accordance with the Listing Rules.

The Board would also like to inform the Shareholders that despite the significant loss for the financial period ended 30 June 2013, the Directors consider the overall operation as a whole remain sound and intact, and the financial position of the Group remains solid.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Water Property Group Limited**  
**Wang Wenxia**  
*Vice Chairman and Chief Executive Officer*

Hong Kong, 29 July 2013

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