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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)

POSITIVE PROFIT ALERT

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 is expected to record a net profit for the period ended 30 June 2014 as compared to the loss for corresponding the period ended 30 June 2013.

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 is expected to record a net profit for the period ended 30 June 2014 as compared to the loss for the corresponding period ended 30 June 2013. The Board is of the view that the net profit for the period is primarily resulted from (1) an increase in gross profit ranged between 90% to 100% mainly arising from the change in sales mix of properties developed by the Group in the People’s Republic of China (the “**PRC**”); (2) a decrease in administrative expense mainly due to absence of one-off share option expenses; and (3) an increase in fair value gain in revaluation of the Group in the PRC investment properties ranged between 100% to 110%.

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 period ended 30 June 2014 and the information currently available to the Board. The financial results of the Group are still under review and shall be subject to further adjustment and finalisation.

As the result of the Group for the period ended 30 June 2014 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 2014 will be published by the end of August 2014 in accordance with the Listing Rules.

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, 21 August 2014

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.