



Press Release
(For immediate release)

Water Property plans to acquire 60% interest of large commercial and residential project in the Yuhang CBD in order to further expand property business in Hangzhou

(4 May 2010, Hong Kong) China Water Property Group Limited (“Water Property” or the “Company”, together with its subsidiaries referred to as the “Group”; stock code: 02349.HK) is pleased to announce that the Group entered into a memorandum of understanding with individual third parties for a proposed acquisition of a 60% equity interest in a large scale commercial and residential project located in a master planned central business district of Yuhang, Hangzhou City, Zhejiang Province. The consideration for the transaction would be RMB87 million.

With a total land area of 16,448 sq.m², the project covers a gross floor area of 108,000 sq.m² and comprises three high-rise towers including offices and hotel service apartments built on a four-storey high podium. Located in the master planned central business district in Yuhang, it will be adjacent to the south station of the Shanghai-Hangzhou High-Speed Railway and the terminal of Hangzhou Metro Line 1. As the Group is developing a villa project on Qiandao Lake, this project would enable it to lay a solid foundation for its expansion in Hangzhou City.

Yuhang is the north gate of Hangzhou City, linking together the city and other major cities in the Yangtze River Delta. Its economy has experienced phenomenal growth and relentless efforts have been made in recent years to attract IT services enterprises from Shanghai, Hangzhou and other areas to expand outsourcing businesses in Yuhang. It is 30 minutes to Shanghai by the express railway and half an hour drive to Hangzhou Xiaoshan International Airport. Management of Water Property believes that when the first and second phase of Hangzhou Metro Line 1 and the Shanghai-Hangzhou Express Railway come into operation, the project will attract hi-tech companies from Shanghai and Hangzhou due to its easy accessibility, low operating costs and favourable government policies toward the IT sector in Yuhang. Therefore, the outlook for this project is very promising.

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About China Water Property Group Limited

China Water Property Group Limited is a diversified enterprise which engages mainly in two key businesses: (i) property development and investment in the PRC; (ii) food related business. It is listed on the main board of the Stock Exchange of Hong Kong Limited (Stock Code: 02349.HK). With the goal of becoming a leading property developer in the PRC, Water Property seeks to increase its land bank with suitable sites in a number of cities with good development potential.

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