



**Press Release**

**(For Immediate Release)**

## **Revenue of Water Property Group jumps 14-fold in 2010**

(29 March 2011, Hong Kong) China Water Property Group Limited (“Water Property” or the “Company”, stock code: 2349) is pleased to announce that the consolidated revenue of the Company and its subsidiaries (collectively referred to as the “Group”) soared by fourteen-fold to HK\$991 million for the year ended 31 December 2010 (the “Review Period”). The Company returned to profitability in 2010, with profit attributable to its owners reached HK\$509 million. Basic earnings per share were 4.66 HK cents. As at 31 December 2010, the Group’s total assets amounted to approximately HK\$2.8 billion, up 155% from a year ago. Equity attributable to owners of the Company was approximately HK\$1.2 billion, a substantial increase of 470% year-on-year. Fast growth of property business resulted in stable cash inflow, reinforcing the Group’s financial position.

The Company’s largest shareholder China Water Affairs Group Limited (“China Water Affairs”, stock code: 855) has been offering considerable support to the Group’s business development. Moreover, Mr. Duan Chuan Liang, the chairman of China Water Affairs, has been nominated for the chairman of the board of directors of the Company. Mr. Duan Chuan Liang said, “The Chinese government carried out various austerity measures last year to ensure the healthy and sustainable development of the property sector. Although the market thus faced a variety of challenges, our business continued to thrive and our operating performance improved significantly from the previous year. I am confident that our management has developed a strategy for dealing with the challenges. We specialized in project development on premier locations of provincial cities along the Yangtze River as well as the second and third tier cities with high economic growth, with a primary focus on the development of quality residential complexes and high-end commercial properties.”

Looking ahead, management of the Company commented, “The urbanization process is gathering momentum in China. The urbanization rate is expected to exceed 50% five years later. We expect the property sector in the cities along the Yangtze River will experience rapid growth as these areas are the growth engine of the country. As a result, we will continue to look for premier sites in the provincial cities along the Yangtze River and second and third-tier cities with high economic growth and develop quality projects on them. Meanwhile, some investment properties will be completed and generate stable



rental income to us. Our income sources will thus become more diversified, making us in a better position to ride out various challenges from the ever-changing market. Last year is a fruitful year to us. While stepping up the development of existing projects, we will dedicate ourselves to enhancing the quality of our projects in the future. We are determined to become a property developer offering high value-added products in order to extend our customer base. We are confident of achieving another year of record sales this year through joint efforts of experienced management, whereby creating better returns to shareholders.”

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### **About China Water Property Group Limited**

China Water Property Group Limited is listed on the main board of the Stock Exchange of Hong Kong Limited (stock code: 2349). The Company is mainly engaged in property development and investment business in second and third-tier cities of China with rapid economic growth. Leveraging the extensive network of its largest shareholder China Water Affairs and seasoned management team, the Company makes relentless efforts to expand its land bank and drive the robust growth of property business by looking for land resources with good development potential.

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