14th November, 2014



FOR IMMEDIATE RELEASE



(Incorporated in the Cayman Islands with limited liability) (stock code : 2349)

China Water Property diversified development strategy Strengthen infrastructure development by natural gas business extension

(14th November, 2014 – Hong Kong) China Water Property Group Limited ("China Water Property" or "the Group", stock code: 2349) announced its indirect wholly owned subsidiary, Shenzhen Zhongshui Property Company Limited ("Zhongshui Property"), entered into a framework agreement with Mr. Yu Zeming ("Mr. Yu") on 12th November, 2014.

Details of Agreement:

- 1) Zhongshui Property and Mr. Yu in relation to a proposed cooperation with respect to two exclusive natural gas pipeline distribution network construction rights and exclusive thirty-years natural gas pipeline network and piped-natural gas sales and distribution operating rights projects ("Natural Gas Projects") in Yongxing and Rucheng counties of Chenzhou city, Hunan Province.
- 2) The total investment amount of the projects is expected to be about Rmb240 million and would be invested in phases. The expected annual volume of natural gas supply of the natural gas projects during its first phase is about 60 million m3.

Zhongshui Property will hold 60% interest in, and thus will become the controlling shareholder of, each of the two project companies that will operate the Natural Gas Projects ("the Project Companies"); Zhongshui Property will appoint the directors, the chairman and the financial controller of the Project Companies and nominate the general manager of the Project Companies, while Mr. Yu will nominate the executive general manager of the Project Companies.

In order to further develop and expand the business scope of the Group, and as a natural diversification of existing businesses of the Group, the Group intends to develop its infrastructure business. By thorough market research and factors of the recent macro market,



natural gas market will play an important role in infrastructure industry of China. According to the statistics of National Energy Administration, China will become the world's second largest consumer of natural gas in 2015 and output of natural gas in China will reach to 176 billion cubic meters, the rate of demand will more than 230 billion cubic meters in 2015. Looking ahead, demand of natural gas of China by 2030 will remain rapid development, the Group believe the proposed cooperation in the Natural Gas Projects will provide the Group with access to the natural gas market and meet the needs of infrastructure investment.

The Board said:" the proposed cooperation in natural gas project consistent with the sustainable development and strategy of infrastructure and the existing related business of the Group. Natural gas project investment is a significant step in the development of infrastructure business, the Group will engage in the development of business diversification and create more stable and substantial return on investment to shareholders."

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China Water Property Group Limited

The Group engages in property business in China and committed to establish a real estate development and property investment group trough sustainable development, core competitive advantage, specialization and refinement development. The Group's projects are mainly located in second-to-third tier cities along the Yangtze River. Diversified Product mix ranges from retail properties, apartments, office buildings, hotels to villas, which will meet customers' needs for self-occupancy and investment and respond promptly to changes in market demand. The Group implements "rent only" strategy for high quality investment properties at the prime location. Investment properties are managed by dedicated professional teams to reinforce our brand's reputation.

** This press released by China Times Advisory Corporate Limited on behalf of the China Water Property Group Limited.

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