
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Water Property Group Limited (the “**Company**”), you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

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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)

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting (the “**EGM**”) of the Company to be held at Room 1816-17, 18th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 10 May 2010 at 11:00 a.m. (or such time immediately following the conclusion (or adjournment) of another extraordinary general meeting of the Company to be held on the same day and at the same place) is set out on pages 6 to 7 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the EGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

20 April 2010

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement dated 15 April 2010 issued by the Company in relation to the Increase in Authorised Share Capital
“Board”	the board of Directors
“Business Day”	any day (not being Saturdays, Sunday or public holidays) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	China Water Property Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened at Room 1816-17, 18th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 10 May 2010 at 11:00 a.m. (or such time immediately following the conclusion (or adjournment) of another extraordinary general meeting of the Company to be held on the same day and at the same place) for the purpose of, among other matters, approving the Increase in Authorised Share Capital
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorized share capital of the Company from HK\$200,000,000 (divided into 20,000,000,000 Shares) to HK\$500,000,000 (divided into 50,000,000,000 Shares) by creating an additional 30,000,000,000 new Shares
“Latest Practicable Date”	19 April 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. But Ka Wai
Ms. Wang Wenxia
Mr. But Chai Tong
Mr. Sun Zhen Yu
Mr. Ren Qian

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Non-executive Director:

Mr. Zhou Kun

Head office and principal

place of business in Hong Kong:

Independent non-executive Directors:

Mr. Chen Ziqiang
Mr. Tam Pei Qiang
Ms. Li Ling

Unit 1816-17, 18/F
Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

20 April 2010

To the Shareholders

Dear Sir or Madam,

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

INTRODUCTION

Reference is made to the announcement of the Company dated 15 April 2010 in relation to the Increase in Authorised Share Capital. The purpose of this circular is to provide you with further details of the Increase in Authorised Share Capital and a notice of EGM for the purpose of approving the Increase in Authorised Share Capital.

INCREASE IN AUTHORISED SHARE CAPITAL

The Company had an authorised share capital of HK\$200,000,000 divided into 20,000,000,000 Shares of which 10,629,971,483 Shares were in issue as at the Latest Practicable Date. As stated in the Announcement, the Board proposed to increase the authorised share capital of the Company from HK\$200,000,000, divided into 20,000,000,000 Shares to HK\$500,000,000 divided into 50,000,000,000 Shares by creating an additional 30,000,000,000 new Shares. The new Shares shall rank pari passu with the existing Shares upon issue.

LETTER FROM THE BOARD

REASONS FOR THE INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate future issues of Shares which shall include but not limited to the possible conversions of the outstanding convertible securities of the Company, as well as to provide the Company with greater flexibility to raise fund by allotting and issuing Shares in the future, as and when necessary, the Board proposed the Increase in Authorised Share Capital.

CONDITION OF THE INCREASE IN AUTHORISED SHARE CAPITAL

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

EGM

A notice convening the EGM to be held at Room 1816-17, 18th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 10 May 2010 at 11:00 a.m. (or such time immediately following the conclusion (or adjournment) of another extraordinary general meeting of the Company to be held on the same day and at the same place) is set out on pages 6 to 7 of this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Shareholders has a material interest in the Increase in Authorised Share Capital as at the Latest Practicable Date and as such, none of the Shareholders will be required to abstain from voting at the EGM in respect of the resolution relating to the Increase in Authorised Share Capital.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

RECOMMENDATION

The Board considers that the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution approving the Increase in Authorised Share Capital as set out in the notice of the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

By order of the Board
China Water Property Group Limited
Wang Wenxia
Vice Chairman

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of China Water Property Group Limited (the “**Company**”) will be held at Room 1816-17, 18th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Monday, 10 May 2010 at 11:00 a.m. (or such time immediately following the conclusion (or adjournment) of another extraordinary general meeting of the Company to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the authorised share capital of the Company be and is hereby increased from HK\$200,000,000 divided into 20,000,000,000 shares of HK\$0.01 each (“**Share(s)**”) in the share capital of the Company to HK\$500,000,000 divided into 50,000,000,000 Shares by the creation of an additional 30,000,000,000 new Shares (the “**Increase in Authorised Share Capital**”); and
- (b) any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

By order of the Board
China Water Property Group Limited
Wang Wenxia
Vice Chairman

Hong Kong, 20 April 2010

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
Unit 1816-17, 18/F
Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

NOTICE OF EGM

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxies (if the member is a holder of two or more shares) to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the Meeting or any adjourned Meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above Meeting or any adjournment thereof, should he so wish, and in such event, the proxy shall be deemed to be revoked.
4. The voting on the resolution at the Meeting will be conducted by way of a poll.