

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform holders of the Company's shares and securities and potential investors that it is expected that the results of the Group for the financial year ended 31 December 2011 will show a significant decrease in turnover and net profits in comparison with the corresponding financial year ended 31 December 2010.

As the results of the Group for the year ending 31 December 2011 have not been finalized or audited and the figures are subject to confirmation with the auditor of the Company, the Board is not in a position to quantify the exact financial effects as at the date of this announcement.

Shareholders and potential investors 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 as the "**Group**") pursuant to Rule 13.09(1) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The board (the "**Board**") of directors ("**Directors**") of the Company wishes to inform holders of the Company's shares and securities and potential investors that based on the latest unaudited management financial statements of the Group, it is expected that the results of the Group for the financial year ended 31 December 2011 will show a significant decrease in turnover and net profits in comparison with the corresponding financial year ended 31 December 2010, which was mainly attributable to the significant decrease in the number of completed property units delivered by the Group to the buyers during the year ended 31 December 2011 as compared to the corresponding financial year. The Directors are of the view that such decline is primarily due to the slowdown in global economic development, the turmoil in the financial markets during the second half year of 2011, and the macro-economic control measures of the property market in the People's Republic of China, which in turn affect the sales of property by the Group.

As the results of the Group for the year ended 31 December 2011 have not been finalized or audited and the figures are subject to confirmation with the auditor of the Company, the Board is not in a position to quantify the exact financial effects as at the date of this announcement. Further details of the results of the Group will be disclosed in the Company's announcement of the final results which is expected to be published in or around March 2012.

Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

The Board would also like to inform the Shareholders that despite the decrease in turnover and net profits for the financial year ended 31 December 2011, the Directors consider the overall operation as a whole remains sound and intact, and the financial position of the Group remains solid.

Shareholders and potential investors 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, 1 March 2012

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.