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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)

POSITIVE PROFIT ALERT

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

The Board of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial growth in the financial results and will record a consolidated net profit for the year ended 31 December 2010 as compared to the consolidated net loss for the year ended 31 December 2009.

This positive profit alert announcement is based on the currently available unaudited consolidated financial management accounts of the Group, which are after preliminary review and assessment by the management of the Group but have not been confirmed, reviewed or audited by the auditors.

Shareholders of the Company 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”, and when together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Based on the information currently available to the Group, the board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial growth in the financial results and will record a consolidated net profit for the year ended 31 December 2010 as compared to the consolidated net loss for the year ended 31 December 2009. The net profit is primarily driven by the Group’s property development segment, being the main contributor to the Group’s core earnings, with achieving strong sales for the residential properties developed by the Group in the People’s Republic of China (the “PRC”). The turnaround result is also attributable by the fair value gains on revaluation of investment properties of the Group in the PRC.

The information contained in this announcement is based on the currently available unaudited consolidated financial management accounts of the Group, which are after preliminary review and assessment by the management of the Group but have not been confirmed, reviewed or audited by the auditors of the Company. The financial results of the Group for the year ended 31 December 2010 remain subject to finalization and necessary audit adjustments, if required. Details of the financial information of the Group will be disclosed in compliance with the Listing Rules as and when the annual results of the Group for the year ended 31 December 2010 are announced.

Shareholders of the Company 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
Chong Ching Hei
Company Secretary

Hong Kong, 13 January 2011

As at the date of this announcement, the Board comprises Ms. Wang Wenxia (Vice Chairman) and Mr. Ren Qian as executive Directors, Mr. Duan Chuan Liang (Chairman) and Mr. Zhou Kun as non-executive Directors and Mr. Chen Ziqiang, Mr. Chan Pok Hiu and Mr. Wong Chi Ming as independent non-executive Directors.