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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)

DESPATCH OF CIRCULAR

The Circular issued by the Company containing, among other things, (i) details of the Share Consolidation, the Open Offer, the Whitewash Waiver and the Set Off; (ii) the recommendations of the Independent Board Committee in relation to the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the Set Off; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the Set Off; and (iv) notice convening the EGM, has been despatched to the Shareholders on 31 August 2011.

Reference is made to the announcements (the “**Announcements**”) of the Company dated 5, 12 and 18 August 2011 respectively in relation to, among other matters, the Share Consolidation, the Open Offer, the connected transaction in relation to the Set Off and the Whitewash Waiver. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

The Circular issued by the Company containing, among other things, (i) details of the Share Consolidation, the Open Offer, the Whitewash Waiver and the Set Off; (ii) the recommendations of the Independent Board Committee in relation to the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the Set Off; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement, the Whitewash Waiver and the Set Off; and (iv) notice convening the EGM, has been despatched to the Shareholders on 31 August 2011.

Shareholders are encouraged to read the Circular carefully, and in particular the letter of advices from the Independent Financial Adviser and the recommendation of the Independent Board Committee of the Company to the Independent Shareholders contained therein before voting on the relevant resolutions at the EGM to be held at Suite 6208, 62nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on 16 September 2011.

By order of the Board
China Water Property Group Limited
Wang Wenxia
Vice Chairman and Chief Executive Officer

Hong Kong, 31 August 2011

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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.