

*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)**

**CO-OPERATION LETTER OF INTENT FOR  
THE DEVELOPMENT OF ORIENTAL ARTS VALLEY PROJECT  
WITH GAOAN GOVERNMENT, JIANGXI, THE PRC**

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

The Board is pleased to announce that on 7 June 2013, CWPD entered into the Letter of Intent with Gaoan Government in relation to the OAV Project. OAV Project is situated in Dacheng-Changxi Cultural and Industrial Park in Gaoan City with a site area of approximately 5,000 Chinese mu.

**As there is no assurance of the consummation of any co-operation under the Letter of Intent, shareholders of the Company and/or investors are advised to exercise caution when dealing in the Company's securities.**

**In case any actual co-operation takes place pursuant to the Letter of Intent constitutes a notifiable and/or connected transaction for the Company under the Listing Rules, the Company will comply with the Listing Rules requirements by disclosure and/or seeking approval from shareholders, as and when appropriate.**

This announcement is made pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

**THE CO-OPERATION LETTER OF INTENT**

The boards (the “**Board**”) of directors of China Water Property Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) is pleased to announce that China Water Property Development Limited, a company incorporated in Hong Kong with limited liability and is wholly owned subsidiary of the Company (“**CWPD**”) has on 7 June 2013 entered into a co-operation letter of intent (the “**Letter of Intent**”) with 江西省高安市人民政府 Jiangxi Gaoan Municipal Government<sup>#</sup> (“**Gaoan Government**”) in relation to the investment and development of the Oriental Arts Valley project (“**OAV Project**”).

<sup>#</sup> *For identification purposes only*

## **INFORMATION ON GAOAN CITY AND OAV PROJECT**

OAV Project is situated in Dacheng-Changxi Cultural and Industrial Park in Gaoan City with a site area of approximately 5,000 Chinese mu. OAV Project is expected to include arts town, arts plaza, artists-in-residence, arts hotel, commercial street and ancillary apartments, arts trading street, exhibition and design street and so on, the relevant ancillary facilities and property development projects, with a view to being built up into a new functional area of new city and a new community environment and a state-level cultural and industrial base.

Pursuant to the Letter of Intent, Gaoan Government will provide prime policy in terms of land, tax, policy support and others in respect of OAV Project and is responsible for such project's establishment in provincial and municipal governments. CWPD is responsible for the organisation, convening and overall strategic planning of culture and art institutions and artists, and responsible for development and construction and financing arrangement for the project, driven by advanced development conceptions and operational experiences.

Gaoan City lies in the west part of Nanchang, the capital city of Jiangxi Province, only 42 kilometers from the centre of Nanchang City and approximately 50 kilometers from Nanchang International Airport, therefore, it is a throat to enter into Nanchang. To the northeast of Gaoan City lies the well-known scenic spot Lushan. National Road 320 and Nanchang-Shangli Express transverses the territory with Jiangxi-Guangdong Express passing by. Nanchang Light Rail is connected to Dacheng Town in the jurisdiction. The eight-hours economic rim can basically cover the coastal and central areas such as Guangdong, Fujian, Zhejiang, Shanghai, Hunan and Hubei. Thus it is an ideal choice for gradient transfer in coastal industries and an optimal interface for linking the east with the west and for linking the north with the south.

Once the detailed terms of OAV Project are identified and the actual co-operation takes place, the Group will enter into further binding agreements and other necessary ancillary documents to implement the investment plans and strategies as envisaged under the Letter of Intent. Further announcement will be made by the Company as and when required under the Listing Rules.

## **REASONS FOR ENTERING INTO THE LETTER OF INTENT**

The Group is principally engaged in property development, property investment, hotel business and property management in the PRC. The Group is pursuing a strategy to expand its exposure in the property development markets in the PRC. The Company eyes on the potential of this thriving district and intends to extend its business to Gaoan City, Jianxing Province. The OAV Project will enlarge the Company's land reserve of the Group and realise the financial benefit from project development. The Company is optimistic on the prospect of the OAV Project. The Directors considers that the terms of the Letter of Intent are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

**As there is no assurance of the consummation of any co-operation under the Letter of Intent, shareholders of the Company and/or investors are advised to exercise caution when dealing in the Company's securities.**

**In case any actual co-operation takes place pursuant to the Letter of Intent constitutes a notifiable and/or connected transaction for the Company under the Listing Rules, the Company will comply with the Listing Rules requirements by disclosure and/or seeking approval from shareholders, as and when appropriate.**

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

Hong Kong, 7 June 2013

*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.*