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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)

**ANNOUNCEMENT
AND
RESUMPTION OF TRADING**

The board of directors (the “Board”) of China Water Property Group Limited (the “Company”, together with its subsidiaries as the “Group”) announces that officers of the Independent Commission Against Corruption (“ICAC”) attended the principal place of business of the Company in Hong Kong on 8 August 2012 and requested for production of documents in connection with an investigation. The Company understands from the ICAC that the investigation is in relation to grant of options under the share option scheme of the Company from 2003 to 2009. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Company understands that the investigation does not involve any directors of the present Board and is not against the Company. The Company has provided relevant documents requested by ICAC.

To the best of the Directors’ knowledge, information and belief, the investigation does not involve the assets of the Group and the Group will continue to carry on its existing business. The Board therefore considers that such event will not have any material adverse implication on the assets, financial position and current business operations of the Group.

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) was suspended with effect from 11:21 a.m. on 8 August 2012 pending the release of this announcement and the Company has applied for the resumption of trading in its shares on the Stock Exchange with effect from 9:00 a.m. on 10 August 2012.

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

Vice Chairman and Chief Executive Officer

Hong Kong, 9 August 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.