中國水業集團有限公司*
CHINA WATER INDUSTRY GROUP LIMITED

(Incorporated in Cayman Islands with limited liability)
(Stock code: 1129)

CLARIFICATION ANNOUNCEMENT REGARDING INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2012

The Board wishes to clarify and amend an inadvertent error in the interim report for the six months ended 30 June 2012 as set out in this announcement.

Reference is made to the interim report for the six months ended 30 June 2012 (the "**Interim Report**") of China Water Industry Group Limited (the "**Company**") despatched to shareholders of the Company on 20 September 2012. The board of directors of the Company (the "**Board**") wishes to bring to the shareholders' attention that due to an inadvertent error, it is wrongly stated that the corporate information on page 2 relating to South West Capital Limited acts as a compliance advisor of the Company. The Board would like to clarify that the South West Capital Limited has not been appointed as a compliance advisor of the Company. However, the Company still intends to engage a compliance advisor as mentioned on page 38 of the Interim Report, subject to the clearance from The Stock Exchange of Hong Kong Limited on the proposed compliance advisor. A further announcement will be made in respect of such appointment.

By Order of the Board of Directors of
China Water Industry Group Limited
Wang De Yin
Chairman and Chief Executive Officer

Hong Kong, 26 September, 2012

As at the date of this announcement, the board of directors comprises Mr. Wang De Yin, Mr. Liu Feng and Mr. Lin Yue Hui, Ms. Chu Yin Yin, Georgiana and Ms. Deng Xiao Ting, all being executive directors, and Mr. Chang Kin Man, Mr. Wu Tak Lung and Mr. Guo Chao Tian, all being independent non-executive directors.

* *For identification purpose only*