

**Form of Share Buyback Report to The Stock Exchange  
of Hong Kong Limited (“the Exchange”)**

**Form G**

To: The Head of the Listing Division  
The Listing Division  
The Stock Exchange of Hong Kong Limited

10 Sept 2008

Dear Sir,

Name of Company: China Water Affairs Group Limited (855)

Description of Securities: Ordinary shares of HK\$0.01 each

A. Purchase Report

We hereby report the following purchases by our company of the above securities.

<u>Trading Day/Date</u>	<u>Number of Securities Purchased</u>	<u>Method of Purchase*</u>	<u>Price per Share or Highest Price Paid \$</u>	<u>Lowest Price Paid \$</u>	<u>Total Paid \$</u>
10 Sept 2008	822,000	On the Exchange	HK\$1.35	HK\$1.33	HK\$1,105,740.00
<b>Total</b>	<b>822,000</b>				<b>HK\$1,105,740.00</b>

\* Either on the Exchange, on another stock exchange (stating the name of the exchange), by private arrangement or by general offer.

B. Additional Information for company's whose primary listing is on the Exchange

1. Number of such securities purchased on the Exchange in the year to date (since ordinary resolution) (a) 822,000
2. % of issued share capital at time ordinary resolution passed acquired on the Exchange since date of resolution  
(  $\frac{822,000 \times 100}{1,239,784,220}$  ) 0.066%

We hereby confirm that the purchases set out in A above which were made on the Exchange were made in accordance with the listing rules of the Exchange entitled "Rules Governing the Listing of Securities" and that there have been no material changes to the particulars contained in the Explanatory Statement dated 5 August 2008 which has been filed with the Exchange. We also confirm that any purchases set out in A above which were made on another stock exchange were made in accordance with the domestic rules applying to purchases made on that other exchange.

Yours faithfully,

Name: Duan Chuan Liang

Director

for and on behalf of

China Water Affairs Group Limited