



(formerly known as Sky Hawk Computer Group Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1129)

ANNOUNCEMENT AND RESUMPTION OF TRADING

The Company has noted the increase in the price and trading volume of the shares of the Company today and wish to state that we are not aware of any reasons for such an increase in price and trading volume save for on 12th February, 2007, the Company entered into a non-legally binding MOU with the JV Partner and Linyi Water Supply Limited in relation to the proposed establishment of the Joint Venture Company which will be principally engaged in water supply business in Linyi City, Shandong Province, PRC. The proposed establishment of the Joint Venture Company is subject to the entering into of the Joint Venture Agreement. Upon completion of the proposed establishment of the Joint Venture Company, it will be held as to 60% by the Company and 40% by the JV Partner.

The entering into of the Joint Venture Agreement, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement will be made by the Company regarding the development of the proposed transaction as and when appropriate.

Save as disclosed above, the Company confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders and/or investors should note that the proposed establishment of the Joint Venture Company may or may not proceed and that no formally binding document has been executed. Accordingly, shareholders of the Company are therefore advised to exercise caution when trading in the Company's shares.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:26 p.m. on Monday, 12th February, 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Tuesday, 13th February, 2007.

The Company has noted the increase in the price and trading volume of the shares of the Company today and wish to state that we are not aware of any reasons for such an increase in price and trading volume save for on 12th February, 2007, the Company entered into a non-legally binding memorandum of understanding (the "MOU") with the People's Government of Hedong District in Linyi City* (臨沂市河東區人民政府) (the "JV Partner") and Linyi City Hedong District Water Supply Company Limited* (臨沂市河東區自來水有限公司) ("Linyi Water Supply Limited"), pursuant to which, subject to the entering into of a joint venture agreement between the Company, the JV Partner and Linyi Water Supply Limited (the "Joint Venture Agreement"), the Company and the JV Partner have agreed to establish a joint venture company in Linyi City, Shandong Province, the People's Republic of China ("PRC") (the "Joint Venture Company") which will be principally engaged in water supply business in Linyi City, Hedong District, Shandong Province, PRC.

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, the JV Partner and Linyi Water Supply Limited are third party independent of and not connected with the Company and its subsidiaries, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules. Linyi Water Supply Limited is a state-owned enterprise legally and beneficially held by the JV Partner, which is principally engaged in water supply business in Linyi City, Hedong District, Shandong Province, PRC. So far as the directors are aware, the current water supply capacity of the water plant in Linyi Water Supply Limited is 71,400 tons per day. The total assets value and net assets value of Linyi Water Supply Limited are approximately RMB36,000,000 and RMB30,000,000 respectively.

Pursuant to the MOU, subject to the entering into of the JV Agreement, the registered capital of the Joint Venture Company shall be RMB30,000,000 in which the Company shall make capital contribution in the form of cash in the aggregate sum of RMB18,000,000 for 60% equity interest in the Joint Venture Company and the JV Partner shall make capital contribution in the form of its water plant and assets held through Linyi Water Supply Limited in the aggregate sum of RMB12,000,000 for 40% equity interest in the Joint Venture Company. Upon completion of the proposed establishment of the Joint Venture Company, it will be held as to 60% by the Company and 40% by the JV Partner.

The entering into of the Joint Venture Agreement, if materialises, may constitute a notifiable transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Further announcement will be made by the Company regarding the development of the proposed transaction as and when appropriate.

Save as disclosed above, the Company confirms that there are no negotiations or agreements relating to intended acquisition or realizations which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders and/or investors should note that the proposed establishment of the Joint Venture Company may or may not proceed and that no formally binding document has been executed. Accordingly, shareholders of the Company are therefore advised to exercise caution when trading in the Company's shares.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:26 p.m. on Monday, 12th February, 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Tuesday, 13th February, 2007.

Made by the order of the board of directors of China Water Industry Group Limited (formerly known as Sky Hawk Computer Group Holdings Limited), the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
China Water Industry Group Limited
Chu Yin Yin, Georgiana
Executive Director

Hong Kong, 12th February, 2007

* for identification purpose only

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Chia Chin, Mr. Sze Chun Ning, Vincent, Mr. Shi De Mao, Ms. Chu Yin Yin, Georgiana, Mr. Zhong Wen Sheng, Mr. Wang Xiao Bo and Mr. Liu Bai Yue, all being the executive directors, Mr. Huang Yuan Wen and Mr. Pan Shi Ying, all being the non-executive directors and Mr. Chang Kin Man, Mr. Wu Tak Lung and Mr. Gu Wen Xuan, all being the independent non-executive directors.