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中國植物開發控股有限公司

CHINA BOTANIC DEVELOPMENT HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2349)

- (1) OPEN OFFER OF NOT LESS THAN 5,522,864,580 OFFER SHARES AND NOT MORE THAN 7,705,364,580 OFFER SHARES ON THE BASIS OF FIVE OFFER SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE;**
(2) INCREASE IN THE AUTHORISED SHARE CAPITAL;
(3) PROPOSED CHANGE OF COMPANY NAME;
AND
(4) RESUMPTION OF TRADING

UNDERWRITER



國泰君安證券(香港)有限公司

GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED

(1) OPEN OFFER

The Company proposes to raise not less than approximately HK\$276 million before expenses, by way of Open Offer of not less than 5,522,864,580 Offer Shares and not more than 7,705,364,580 Offer Shares at the Subscription Price of HK\$0.05 per Offer Share on the basis of five (5) Offer Shares for every one (1) existing Share held on the Record Date and payable in full on acceptance. Qualifying Shareholders are not entitled to apply for excess Offer Shares not taken up in excess of their respective entitlements under the Open Offer. The Open Offer will not be extended to the Prohibited Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on 15 September 2009. The register of members of the Company will be closed from 16 September 2009 to 21 September 2009, both dates inclusive, to determine the eligibility of the Open Offer.

China Water has given the CW Undertaking under the Underwriting Agreement in favour of the Company and the Underwriter (i) not to dispose of, or agree to dispose of, any Shares held by it and its associates from the date of the Underwriting Agreement to the Latest Time for Termination; (ii) to subscribe for or procure subscriptions for 1,653,921,810 Offer Shares to which China Water and its associates are entitled under the Open Offer; and (iii) that the CW Convertible Bonds in the principal amount of HK\$155,050,000 will remain unconverted and registered in the name of and beneficially owned by China Water and its associates up to and including the Latest Time for Termination.

The Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up or procured to be taken up by China Water and its associates under the CW Undertaking) which have not been taken up. Accordingly, the Open Offer is fully underwritten.

The estimated net proceeds from the Open Offer will be not less than approximately HK\$270 million.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from 14 September 2009 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer are subject are fulfilled (which is expected to be on 12 October 2009), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

The Company will send the Prospectus Documents to the Qualifying Shareholders and, the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders as soon as practicable.

(2) INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each of which 1,104,572,916 Shares have been allotted and issued and fully paid or credited as fully paid. In order to accommodate the Open Offer and also future expansion and growth of the Group, the Directors propose to increase the authorised share capital of the Company from HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 Shares of HK\$0.01 each.

(3) PROPOSED CHANGE OF COMPANY NAME

The Board announces that it intends to put forward a proposal to the Shareholders to approve the change of name of the Company from “China Botanic Development Holdings Limited” to “China Water Property Group Limited”, and a new Chinese name “中國水務地產集團有限公司” will be adopted to replace “中國植物開發控股有限公司”.

(4) GENERAL

A circular containing, among other things, further details of the Open Offer, the Increase in Authorised Share Capital, the proposed change of company name and a notice convening the EGM will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

(5) SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 7 August 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 11 August 2009.

OPEN OFFER

Issue statistics

Basis of the Open Offer: Five (5) Offer Shares for every one (1) existing Share held on the Record Date and payable in full on acceptance

Subscription Price: HK\$0.05 per Offer Share

Number of Shares in issue as at the date of this announcement:	1,104,572,916 Shares
Number of Shares to be allotted and issued upon full conversion of BOC Convertible Bonds (assuming the Amendments of CB Terms having become effective) held by its holders and the CW Convertible Bonds (other than those held by China Water and its associates):	405,000,000 Shares
Number of Shares to be allotted and issued upon the exercise of the rights for all outstanding Options granted:	31,500,000 Shares
Number of Offer Shares:	Not less than 5,522,864,580 Offer Shares and not more than 7,705,364,580 Offer Shares (assuming the Amendments of CB Terms having become effective and full conversion of the BOC Convertible Bonds and the CW Convertible Bonds (other than those held by China Water and its associates) prior to the Record Date)
Number of Offer Shares undertaken to be taken up or procured to be taken up by China Water and its associates	China Water has given the CW Undertaking under the Underwriting Agreement in favour of the Company and the Underwriter (i) not to dispose of, or agree to dispose of, any Shares held by it and its associates from the date of the Underwriting Agreement to the Latest Time for Termination; (ii) to subscribe for or procure subscriptions for 1,653,921,810 Offer Shares to which China Water and its associates are entitled under the Open Offer; and (iii) that the CW Convertible Bonds in the principal amount of HK\$155,050,000 will remain unconverted and registered in the name of and beneficially owned by China Water and its associates up to and including the Latest Time for Termination
Number of Offer Shares underwritten by the Underwriter:	Not less than 3,868,942,770 Offer Shares and not more than 6,051,442,770 Offer Shares, being the aggregate number of the Offer Shares less the aggregate number of the Offer Shares agreed to be taken up under the CW Undertaking

Number of Shares in issue upon completion of the Open Offer:	Not less than 6,627,437,496 Shares and not more than 9,246,437,496 Shares
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It is expected that the Amendments of CB Terms will be completed before the Record Date.

As at the date of this announcement, the Company has (i) 31,500,000 outstanding Options entitling the holders thereof to subscribe for 31,500,000 Shares; (ii) 1,136,666,666 underlying Shares to be issued and allotted upon the exercising of the conversion rights attaching to the CW Convertible Bonds; and (iii) 305,000,000 underlying Shares to be issued and allotted upon the exercising of the conversion rights attaching to the BOC Convertible Bonds (assuming the Amendments of CB Terms having become effective). Save for the Options, the CW Convertible Bonds and BOC Convertible Bonds, the Company has no other outstanding warrants, options or convertible securities as at the date of this announcement.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders. To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date:

- (i) be registered on the register of members of the Company; and
- (ii) not be the Prohibited Shareholders.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on 15 September 2009. The address of the Registrar is at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable.

Closure of register of members

The register of members of the Company will be closed from 16 September 2009 to 21 September 2009, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this period.

Subscription Price

The Subscription Price is HK\$0.05 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 83.61% to the closing price of HK\$0.305 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 45.95% to the theoretical ex-entitlement price of approximately HK\$0.0925 per Share based on the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 82.01% to the average of the closing prices of HK\$0.278 per Share for the last five consecutive trading days including and up to the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the current market conditions. In order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors (including the independent non-executive Directors) consider that the proposed discount of the Subscription Price to the market price is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (including the independent non-executive Directors) consider the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Certificates of the Offer Shares and refund cheques

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before 15 October 2009 to those entitled thereto by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares are also expected to be posted on or before 15 October 2009 by ordinary post at their own risk.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of member of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. The Board will make enquiries to its lawyers as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders.

No application for excess Offer Shares

The Company shall not make available for subscription by the Qualifying Shareholders by means of excess application of any excess Offer Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 6 August 2009

Parties

- (i) Underwriter: GUOTAI JUNAN SECURITIES
(HONG KONG) LIMITED
- (ii) Issuer: The Company
- (iii) China Water

Number of Offer Shares underwritten: Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Offer Shares (other than the Offer Shares agreed to be taken up under the CW Undertaking) which have not been taken up. Accordingly, the Open Offer is fully underwritten.

To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

The Underwriter shall be entitled to an underwriting commission of 1.5% of the aggregate Subscription Price in respect of 3,868,942,770 Offer Shares and the Company will also reimburse the Underwriter reasonable legal fees and other reasonable expenses in respect of the Open Offer.

Undertaking given by China Water

China Water has given the CW Undertaking under the Underwriting Agreement in favour of the Company and the Underwriter (i) not to dispose of, or agree to dispose of, any Shares held by it and its associates from the date of the Underwriting Agreement to the Latest Time for Termination; (ii) to subscribe for or procure subscriptions for 1,653,921,810 Offer Shares to which China Water and its associates are entitled under the Open Offer; and (iii) that the CW Convertible Bonds in the principal amount of HK\$155,050,000 will remain unconverted and registered in the name of and beneficially owned by China Water and its associates up to and including the Latest Time for Termination.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (a) in the sole and absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or

- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer, or
- (e) the Circular, Prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to accept the Offer Shares provisionally allotted to it,

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination and thereupon the obligations of all parties under the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the passing by the Shareholders at the EGM the necessary resolution to approve the Increase in Authorised Capital;
- (b) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Open Offer;
- (c) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (d) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus if required by the Listing Rules, and a letter to the Prohibited Shareholders, if any, for information purpose only, explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares by no later than the first day of their dealings;
- (f) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement; and
- (g) compliance with and performance of all the undertakings and obligations of China Water under the CW Undertaking of the Underwriting Agreement.

The conditions precedent are incapable of being waived. If the conditions precedent are not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in the production and distribution of snack food and convenience frozen food products and in cultivation of seabuckthorn seedlings, manufacture, sales, research and development of seabuckthorn-related health products.

The estimated net proceeds from the Open Offer will be not less than approximately HK\$276 million. It is estimated that the net proceeds from the Open Offer will amount to approximately HK\$270 million. The net Subscription Price per Offer Share is approximately HK\$0.049. The Board intends to apply such proceeds from the Open Offer for financing possible diversified investments of the Group including but not limited to purchase and development of properties located in the PRC from China Water and/or other Independent Third Parties. The Group is currently studying the feasibility of investment in various PRC properties and up to the date hereof, no understanding, arrangement or agreement has been reached and the Company will make further announcement in compliance with the Listing Rules as and when appropriate.

The estimated expenses in relation to the Open Offer, including financial, legal and other professional advisory fees, underwriting commission, printing and translation expenses will be borne by the Company. Having considered other fund raising alternatives for the Group, such as bank borrowings and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Open Offer allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

The Directors (including the independent non-executive Directors) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer.

EXPECTED TIMETABLE OF THE OPEN OFFER

2009

Despatch of Circular	4 September
Last day of dealing in Shares on a cum-entitlement basis	11 September
First day of dealing in Shares on an ex-entitlement basis	14 September
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:30p.m. on 15 September
Register of members of the Company closes (both dates inclusive)	16 September to 21 September
EGM	21 September

Record Date	21 September
Register of members for the Shares reopens	22 September
Despatch of Prospectus Documents	22 September
Latest time for acceptance of and payment for Offer Shares.	4:00 p.m. on 7 October
Latest time for the Open Offer to become unconditional.	4:00 p.m. on 12 October
Announcement of the results of the Open Offer	15 October
Despatch of refund cheques in respect of wholly or partly unsuccessful excess applications	15 October
Share certificates for Offer Shares to be posted.	15 October
Dealing in Offer Shares commences	19 October

All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

Adjustments to Options and Convertible Bonds

As at the date of this announcement, there are (i) 31,500,000 outstanding Options granted under the share option schemes adopted by the Company entitling the holders thereof to subscribe for a total of 31,500,000 Shares; (ii) the CW Convertible Bonds entitling the holders thereof to convert into 1,136,666,666 Shares; and (iii) the BOC Convertible Bonds entitling the holders thereof to convert into 305,000,000 Shares (assuming the Amendment of CB Terms becoming effective). Save for the Options, the CW Convertible Bonds and the BOC Convertible Bonds, the Company has no other outstanding options, warrants or other securities convertible into Shares.

Adjustments to the conversion price of the outstanding CW Convertible Bonds and BOC Convertible Bonds in issue and the exercise prices and numbers of the outstanding Options may be required under the relevant terms of the instruments constituting the CW Convertible Bonds and the BOC Convertible Bonds and the share option schemes of the Company. An approved merchant bank or the auditors of the Company will be appointed to certify the necessary adjustments, if any, to the conversion prices of the outstanding CW Convertible Bonds and the outstanding BOC Convertible Bonds and the exercise prices and numbers of the outstanding Options. Further announcement will be made by the Company in this regard.

INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each of which 1,104,572,916 Shares have been allotted and issued and fully paid or credited as fully paid. In order to accommodate the Open Offer and also future expansion and growth of the Group, the Directors propose to increase the authorised share capital of the Company from HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 Shares of HK\$0.01 each.

The Increase in Authorised Share Capital is subject to and conditional upon the passing of an ordinary resolution by the Shareholders approving the Increase in Authorised Share Capital at the EGM.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
19 November 2008	Open Offer of 345,968,750 new Shares	HK\$21.1 million	general working capital	general working capital

EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structures of the Company immediately before and after the completion of the Open Offer are set out below (assuming that the Amendments of CB Terms will be effective on or before the Record Date and no Shares will be issued and allotted as a result of the exercise of the rights attaching to the outstanding Options, the CW Convertible Bonds and/or the BOC Convertible Bonds on or before the Record Date):

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up his/her/its entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up his/her/its entitlements under the Open Offer)	
	<i>No. of Shares</i>	<i>Approx. percentage</i>	<i>No. of Shares</i>	<i>Approx. percentage</i>	<i>No. of Shares</i>	<i>Approx. percentage</i>
	China Water and its associates	330,784,362	29.95%	1,984,706,172	29.95%	1,984,706,172
Mr. But Ka Wai and his associates	60,000,000	5.43%	60,000,000	0.90%	360,000,000	5.43%
Prime Investments Holdings Limited	117,423,332	10.63%	117,423,332	1.77%	704,539,992	10.63%
<i>Public Shareholders:</i>						
Underwriter and/or sub-underwriters	–	–	3,868,942,770	58.38%	–	–
Other public Shareholders	<u>596,365,222</u>	<u>53.99%</u>	<u>596,365,222</u>	<u>9.00%</u>	<u>3,578,191,332</u>	<u>53.99%</u>
	<u><u>1,104,572,916</u></u>	<u><u>100.00%</u></u>	<u><u>6,627,437,496</u></u>	<u><u>100.00%</u></u>	<u><u>6,627,437,496</u></u>	<u><u>100.00%</u></u>

The Company will take all appropriate steps to ensure that sufficient public float be maintained prior to the completion of the Open Offer in compliance with Rule 8.08(1)(a) of the Listing Rules. The Underwriter has undertaken to the Company that it will use its reasonable endeavours to procure that the subscribers for any offer shares are independent of and not a connected with the Directors, chief executive or substantial shareholders of the Company.

CHANGE OF NAME OF THE COMPANY

The Proposal

The Board also announces that it intends to put forward a proposal to the Shareholders of the to approve the Change of Name of the Company “China Botanic Development Holdings Limited” to “China Water Property Group Limited”, and a new Chinese name “中國水務地產集團有限公司” will be adopted to replace “中國植物開發控股有限公司”.

Conditions

The proposed change of name is subject to the satisfaction of the following conditions:

1. the passing of a special resolution by the Shareholders approving the change of name of the Company at the EGM of the Company; and
2. if necessary, the Registrar of Companies in the Cayman Islands approving the change of the Company's name.

Reasons for the Change of Name

Reference is made to the profit warning announcement of the Company dated 6 August 2009. Given the deteriorating economic conditions, the Board considers that it is necessary for the Group to diversify its investments and it is intended that the Company will engage in the purchase and development of properties located in the PRC. The Board is of the opinion that the Change of Name will more precisely reflect the expansion of business scope of the Company.

The Board is therefore of the opinion that the proposed Change of Name of the Company is in the interests of the Company and the Shareholders as a whole.

Effects on change of name

The proposed change of name of the Company will not affect any of the rights of the Shareholder. Once the Change of Name becomes effective, share certificates of the Company will be issued in the new name of the Company. However, all existing share certificates in issue bearing the existing name of the Company will, after the Change of Name has become effective, continue to be effective as documents of title to and be valid for trading, settlement and registration purposes. There will not be any arrangement for the exchange of the existing share certificates of the Company for new share certificates bearing the new name of the Company.

Further announcement will be made by the Company to inform the Shareholders of the effective date of the change of name of the Company and the relevant trading arrangements (if any) contemplated thereby.

GENERAL

Pursuant to Rule 7.24 of the Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates will abstain from voting in favour of the resolutions relating to the Open Offer. As at the date of this announcement, there are no controlling Shareholders holding 30% or more issued share capital in the Company, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates will abstain from voting in favour of the resolutions relating to the Open Offer.

An independent board committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable and whether the Open Offer are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, VC Capital Limited has been appointed an independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Open Offer are fair and reasonable.

The Open Offer, the Increase in Authorised Share Capital and the Change of Name are subject to, among other matters, the approval of the Shareholders or the Independent Shareholders at the EGM. A circular containing, among other things, further details of the Open Offer, the Increase in Authorised Share Capital and the Change of Name and a notice convening the EGM will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 7 August 2009 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 11 August 2009.

Terms and definitions

“Amendments of CB Terms”	the alteration of the terms of BOC Convertible Bonds as announced in the announcement of the Company dated 7 July 2009
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“BOC Convertible Bonds”	the 3% convertible bonds issued by the Company with principal amount of HK\$122,000,000 issued in accordance with the placing agreement dated 22 October 2007
“Business Day”	a day (other than a Saturday, Sunday or public holiday or days on which) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Change of Name”	the change of name of the Company “China Botanic Development Holdings Limited” to “China Water Property Group Limited”, and a new Chinese name “中國水務地產集團有限公司” will be adopted to replace “中國植物開發控股有限公司”

“China Water”	China Water Affairs Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	China Botanic Development Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“CW Convertible Bonds”	the convertible bonds with outstanding principal amount of HK\$170,500,000 with an initial conversion price of HK\$0.15 per Share and is beneficially owned by China Water and its associates in the principal amount of HK\$155,050,000 and Prime Investments Holdings Limited in the principal amount of HK\$15,000,000 respectively
“CW Undertaking”	the irrevocable undertaking given by China Water under the Underwriting Agreement in favour of the Company and the Underwriter, details of which are set out in the paragraph headed “Undertaking given by China Water” in this announcement
“Director(s)”	director(s) of the Company
“EGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and approve the Open Offer, the Increase in Authorised Share Capital, the Change of Name and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons

“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$40,000,000 divided into 4,000,000,000 Shares to HK\$200,000,000 divided into 20,000,000,000 Shares
“Last Trading Day”	6 August 2009, being the last trading day for the Shares before the date of this announcement
“Latest Lodging Date”	4:30 p.m. on 15 September 2009 as the latest time for lodging transfer of Shares in order to qualify for the Open Offer
“Latest Time for Acceptance”	4:00 p.m. on 7 October 2009 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the third business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	not less than 5,522,864,580 new Shares and not more than 7,705,364,580 new Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of five (5) Offer Shares for every one (1) existing Share held on the Record Date and payable in full on acceptance pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of Open Offer to the Qualifying Shareholders on the terms to be set out in the Prospectus Documents and summarised herein
“Options”	the share options granted or to be granted under the share option schemes adopted by the Company
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholders”	the Shareholders with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date

“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the application form in respect of the assured allotment of Offer Shares and the form of application for excess Offer Shares
“Prospectus Posting Date”	22 September 2009 or such later date as may be agreed between The Underwriter and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	21 September 2009, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the Company’s Hong Kong branch share registrar
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 6 August 2009 entered into between the Company, China Water and the Underwriter in relation to the Open Offer

“Underwriter”	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation to carry out regulated activities under the Securities and Futures Ordinance in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
China Botanic Development Holdings Limited
But Ka Wai
Chairman

Hong Kong, 10 August 2009

As at the date of this announcement, the Board comprises Mr. But Ka Wai (Chairman), Mr. But Chai Tong (Vice Chairman), Mr. Sun Zhen Yu and Mr. Ren Qian as executive Directors, Mr. Zhou Kun as non-executive Director and Mr. Ku Siu Fung, Stephen, Mr. Chen Ziqiang, Mr. Tam Pei Qiang and Ms. Li Ling as independent non-executive Directors.