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**中國植物開發控股有限公司**  
CHINA BOTANIC DEVELOPMENT HOLDINGS LIMITED  
**(to be renamed as “China Water Property Group Limited”)**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2349)**

**ANNOUNCEMENT**

The Board is pleased to announce that on 16 October 2009 after trading hour, the Purchaser, a wholly-owned subsidiary of the Company, has entered into the CW MOU with China Water (HK) and the Yin Long MOU with the Yin Long Vendor respectively in relation to the Possible Acquisition.

**If the Formal Agreements are entered into, it is expected that the Possible Acquisition will constitute a notifiable and connected transaction on the part of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or independent Shareholders’ approval requirements under the Listing Rules.**

**Shareholders of the Company and/or investors should note that the Possible Acquisition may or may not materialise, as no formally binding documentation has been executed between the parties and discussions are still in progress.**

**Accordingly, Shareholders and/or investors are advised to exercise caution when dealing in the Company’s securities.**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 16 October 2009 after trading hour, the Purchaser, a wholly owned subsidiary of the Company has entered into the CW MOU and the Yin Long MOU with China Water (HK) and the Yin Long Vendor respectively in relation to the Possible Acquisition.

## **CW MOU**

Date: 16 October 2009

Parties: (i) the Purchaser; and

(ii) China Water (HK), who is the legal and beneficial owner of the entire issued share capital of Hong Kong Water, which in turn is the beneficial owner of 30% equity interests of the Target

China Water (HK) is a company incorporated in the British Virgin Islands with limited liability and also a wholly owned subsidiary of China Water, a substantial Shareholder of the Company.

### **Major terms of the CW MOU**

Under the CW MOU, it is proposed that the Purchaser will acquire the entire issued share capital of Hong Kong Water.

The principal asset of Hong Kong Water is its 30% beneficial interest in the issued share capital of Target. The remaining 70% interests in the Target are held by as to 30% by Yin Long and as to 40% by Xinyu Water, an indirect non-wholly owned subsidiary of China Water.

Under the CW MOU, both the Purchaser and China Water (HK) will proceed to negotiate for a legally-binding formal agreement within 60 days from the date of the CW MOU (or such later date to be agreed by the parties thereto).

It is also agreed that China Water (HK) will not, within 90 days from the date of the CW MOU, negotiate with any third party for the Possible Acquisition.

The aggregate consideration payable by the Purchaser for the acquisition of the entire issued share capital of Hong Kong Water shall be subject to further negotiation between the parties thereto. It is contemplated that such consideration will not be more than HK\$36,000,000.

## **YIN LONG MOU**

Date: 16 October 2009

Parties: (i) the Purchaser; and

(ii) the Yin Long Vendor, a PRC citizen and the ultimate beneficial owner of Bloom Famous

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for its interests in the Target, the Yin Long Vendor is a third party independent of and not connected with the Company and its connected persons (as defined under the Listing Rules).

### **Major terms of the Yin Long MOU**

Under the Yin Long MOU, it is proposed that the Purchaser will acquire the entire issued share capital of Bloom Famous.

Bloom Famous will carry out the reorganisation to acquire 25% equity interests in the Target from Yin Long in such manner to the satisfaction of the Purchaser. It is expected that the reorganisation will be completed within 60 days of the date of the Yin Long MOU.

Under the Yin Long MOU, both the Purchaser and the Yin Long Vendor will proceed to negotiate for a legally-binding formal agreement within 60 days from the date of the Yin Long MOU (or such later date to be agreed by the parties thereto).

It is also agreed that the Yin Long will not, within 90 days from the date of the Yin Long MOU, negotiate with any third party for the Possible Acquisition.

The aggregate consideration payable by the Purchaser for the acquisition of the entire issued share capital of Bloom Famous shall be subject to further negotiation between the parties thereto. It is contemplated that such consideration will not be more than HK\$30,000,000.

### **Information on the Target and reasons for the Possible Acquisition**

The Target is a company established in the PRC and principally engaged in property investment, development, sales, management and infrastructure construction in Xinyu, Jiangxi, the PRC. The Target shall be primarily on developing the property development projects, which involves the state-owned lands with a total land area of approximately 129,432 square meters in Xinyu, Jiangxi Province, of which approximately 65,414 square meters will be developed as commercial/residential real estates and approximately 64,018, square meters will be developed as commercial real estates.

As disclosed in the prospectus of the Company dated 22 September 2009, the Company is intended to diversify its business into the PRC property market. The Directors believe that the Possible Acquisition will increase the Company's property portfolio and strengthen the Company's property development business so as to maximize return to the Company and its Shareholders in the long run. The Group has decided to enter into the CW MOU and the Yin Long MOU to explore the possibility of tapping into the property market in the PRC.

## **General**

Each of the CW MOU and the Yin Long MOU, excluding, among others, the 90-day exclusivity period agreed by China Water (HK) and the Yin Long Vendor, does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition will be subject to the execution and completion of the formal agreements.

**If the Formal Agreements are entered into, it is expected that the Possible Acquisition will constitute a notifiable and connected transaction on the part of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or independent Shareholders' approval requirements under the Listing Rules.**

**Shareholders of the Company and/or investors should note that the Possible Acquisition may or may not materialise, as no formally binding documentation has been executed between the parties and discussions are still in progress.**

**Accordingly, Shareholders and/or investors are advised to exercise caution when dealing in the Company's securities.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed to this term under the Listing Rules
“Bloom Famous”	Bloom Famous Limited, a company incorporated in Hong Kong with limited liability and is wholly and beneficially owned by the Yin Long Vendor
“Board”	the board of Directors
“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 and a substantial Shareholder of the Company
“China Water (HK)”	China Water Group (HK) Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of China Water

“Company”	China Botanic Development Holdings Limited (to be renamed as “China Water Property Group Limited”), a 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 MOU”	the memorandum of understanding dated 16 October 2009 entered into between the Purchaser and China Water (HK) in relation to the Possible Acquisition
“Director(s)”	director(s) of the Company
“Formal Agreements”	the formal agreements as contemplated under the CW MOU and the Yin Long MOU
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Water”	Hong Kong Water Affairs Investments Limited, a company incorporated in Hong Kong with limited liability and is wholly and beneficially owned by China Water (HK)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Acquisition”	the possible acquisition of an aggregate 55% equity interests in the Target through the acquisition of Hong Kong Water for 30% equity interests of the Target and Bloom Famous for 25% equity interests of the Target as contemplated under the CW MOU and the Yin Long MOU
“PRC”	People’s Republic of China
“Purchaser”	Mega Famous Investment Limited, a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	新余水務置業有限責任公司 (Xinyu Water Affairs Property Co., Ltd.#), a company established in the PRC and is owned as to 30% by Hong Kong Water, as to 40% by Xinyu Water and as to 30% by Yin Long
“Xinyu Water”	新余水務集團有限公司 (Xinyu Water Group Company Limited#), a company established in the PRC and a non-wholly owned subsidiary of China Water
“Yin Long”	北京銀龍聯合水務技術有限公司 (Beijing YinLong Water Technology Co., Ltd.#), a company established in the PRC and a shareholder of the Target
“Yin Long MOU”	the memorandum of understanding dated 16 October 2009 entered into between the Purchaser and the Yin Long Vendor in relation to the Possible Acquisition
“Yin Long Vendor”	Cui Jing, a PRC citizen and the ultimate beneficial owner of Bloom Famous
“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, 16 October 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.*

# *the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words*