

Press Release

(For immediate release)

China Botanic develops a landmark project in Wuhan and establishes a joint venture with Shanghai Heng Shi

(1 November 2009, Hong Kong) China Botanic Development Holdings Limited (“China Botanic” or the “Company”, together with its subsidiaries referred to as the “Group”; stock code: 02349.HK) announced that the Group will develop a property project in Wuhan, Hubei Province by entering into an agreement to acquire Hubei Fucheng Property Development Limited (“Hubei Fucheng”) for a consideration of RMB200 million. The Group also announced that it will invest RMB25.5 million to form a joint venture with Shanghai Heng Shi Investment Company Limited (“Shanghai Heng Shi”) to further expand into the property business in China.

Ms Wang Wenxia, Vice Chairman and Executive Director of China Botanic, said, “Leveraging on the land resources and provincial government connections of our major shareholder China Water Affairs, we have expanded our business into property development in China. Primarily focusing on developments in the provincial capital cities along the Yangtze River, the Group will gradually extend its reach to other second and third-tier cities in China. The acquisition of a landmark project in Wuhan and the formation of a joint venture with Shanghai Heng Shi mark great steps forward for our property business.”

The acquisition of Hubei Fucheng will be financed by (1) RMB60 million in cash, (2) RMB105 million in China Botanic shares and (3) RMB35 million in either China Botanic shares or cash to be paid five months after the completion of the transaction. Hubei Fucheng owns the entire interest of the project in Wuhan.

The Wuhan project is a premier integrated complex which includes commercial, office and residential space. It covers an area of 22,312.64 m² with a total gross area of 147,315.5 m². Comprising two underground levels, a four-storey commercial podium and five buildings, the project is expected to be launched in May 2010. The delivery date is scheduled for early 2011. Wuhan is a metropolis in the midstream region of the Yangtze River, with a population

reaching 10 million. Not only is it a financial, transportation and cultural hub in the middle of China, it also boasts a long and rich history. The Wuhan project is located in the commercial center of Wuchang, site of the largest electronic products market in mid-China. In recent years, with a number of giant department stores establishing their presence there, this area has evolved into an integrated commercial center. Moreover, when MRT Line 2 starts operation in 2012 and Line 7 commences, the area will also become a transportation hub. As the Wuhan project overlooks East Lake, its residents and users will enjoy a gorgeous view of a scenic spot. The potential of the Wuhan project is enormous, for as a transportation and commercial hub, the people there will have strong purchasing power. In addition, it enjoys a rich cultural environment and a splendid landscape. It is expected to receive an enthusiastic response from the market.

Shanghai Heng Shi is mainly engaged in property development, sewage treatment and the construction of mines. With a primary focus on Shanghai, it plans to extend property operations to other areas in the Yangtze River Delta. The total gross floor area of its projects amounts to 1 million m². One of its masterpieces is “Thames Town” in Songjiang, Shanghai. Shanghai Heng Shi has made significant investments its sewage treatment business in the western region of China, including plants in Chengdu and Panzhihua. Both Shanghai Heng Shi and the Group share the same business strategy and vision. As a result, the Group believes that with the local strengths of Shanghai Heng Shi in Shanghai, our cooperation will complement each other and boost our business growth.

“As a company which is shifting to the property business, we are very pleased to take part in the development of the Wuhan project and the joint venture with Shanghai Heng Shi. The property sector in Wuhan is expected to develop at a stable and healthy rate. Combined with Shanghai Heng Shi’s strengths and the extensive experience of our management team in PRC property development, we are confident that our future businesses will develop at a brisk pace,” added Ms Wang Wenxia.

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About China Botanic Development Holdings Limited

China Botanic Development Holdings Limited is a diversified enterprise which engages mainly in two key businesses: (i) property development and

investment in the PRC; (ii) food related business. The company will change its name to China Water Property Group Limited to reflect the change of its business. It is listed on the main board of the Stock Exchange of Hong Kong Limited (Stock Code: 02349.HK). With the goal of becoming a leading property developer in the PRC, China Water Property seeks to increase its land bank with suitable sites in a number of cities with good development potential.

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