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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

INTERIM RESULT

The board (the "Board") of directors (the "Directors") of China Botanic Development Holdings Limited (the "Company") is pleased to present the unaudited interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2009 (the "Period") together with the unaudited comparative figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2009	2008
		(unaudited)	(unaudited)
	Note	***HK$'000***	*HK$'000*
Turnover	2	**50,943**	128,136
Cost of sales		**(39,046)**	(88,962)
Gross profit		**11,897**	39,174
Gain from changes in fair value of biological assets less estimated point-of-sales costs		**–**	60,211
Other operating income		**1,454**	2,756
Selling and distribution expenses		**(9,674)**	(13,388)
Administrative expenses		**(19,288)**	(20,779)
Finance costs	3	**(17,557)**	(20,186)
Operating (loss) profit before impairment charges		**(33,168)**	47,788
Impairment on trade receivables		**(19,571)**	–
Changes in fair value less estimated point-of-sales costs of biological assets		**(23,284)**	–
(Loss) profit before taxation		**(76,023)**	47,788
Income tax credit (expense)	4	**38**	(3,972)
(Loss) profit for the period	5	**(75,985)**	43,816

	Note	For the six months ended 30 June **2009** **(unaudited)** ***HK$'000***	2008 (unaudited) *HK$'000*
Attributable to:			
– Equity holders of the Company		**(64,018)**	16,124
– Minority interests		**(11,967)**	27,692
		(75,985)	43,816
Dividend	*6*	**–**	–
(Loss) earnings per share	*7*		
– Basic		**(7.38) cents**	2.16 cents
– Diluted		**N/A cents**	1.07 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
(Loss) profit for the period	**(75,985)**	43,816
Other comprehensive income:		
Exchange differences arising on translation	**(766)**	8,726
Total comprehensive income for the period (net of tax)	**(76,751)**	52,542
Total comprehensive income attributable to:		
– Equity holders of the Company	**(64,784)**	24,728
– Minority interests	**(11,967)**	27,814
	(76,751)	52,542

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 30 June 2009 (unaudited)** *HK$'000*	As at 31 December 2008 (audited) *HK$'000*
NON-CURRENT ASSETS			
Prepaid lease payments		**3,088**	3,079
Property, plant and equipment		**198,730**	195,856
Biological assets		**4,560**	27,844
Intangible assets		**1,002**	1,014
Goodwill		**73,480**	73,480
Deferred tax assets		**660**	660
		281,520	301,933
CURRENT ASSETS			
Inventories		**50,803**	43,395
Trade and other receivables	*8*	**120,053**	162,763
Tax recoverable		**2,002**	2,010
Derivative financial instruments		**6,391**	6,864
Pledged bank deposits		**8,966**	15,294
Bank balances and cash		**21,219**	21,189
		209,434	251,515
CURRENT LIABILITIES			
Trade and other payables	*9*	**44,868**	44,929
Obligation under finance leases		**1,507**	3,999
Derivative financial instruments		**–**	1,831
Tax payable		**2,177**	302
Amounts due to minority shareholders		**24,700**	5,652
Amount due to a shareholder		**3,000**	15,000
Borrowings		**43,297**	98,781
		119,549	170,494
NET CURRENT ASSETS		**89,885**	81,021
TOTAL ASSETS LESS CURRENT LIABILITIES		**371,405**	382,954
NON-CURRENT LIABILITIES			
Obligation under finance leases		**709**	996
Borrowings		**47,413**	17,845
Convertible notes		**263,876**	262,156
		311,998	280,997
		59,407	101,957
CAPITAL AND RESERVES			
Share capital		**11,046**	6,919
Reserves		**21,289**	55,999
Equity attributable to equity holders of the Company		**32,335**	62,918
Minority interests		**27,072**	39,039
TOTAL EQUITY		**59,407**	101,957

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as appropriate. The accounting policies used in the interim report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

In the current period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new or revised HKFRSs") issued by HKICPA, which are effective for the Group's financial year beginning on 1 January 2009.

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure HKFRS 8 is a disclosure Standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor Standard, HKAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied new and revised standards amendments or interpretations that have been issued but are not yet effective. The adoption of HKFRS 3 (Revised 2008) may effect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit and loss.

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

	Wah Yuen Foods Business		Seabuckthorn Business		Eliminations		Consolidated	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
REVENUE								
External sales	**38,850**	118,550	**12,093**	9,586	**–**	–	**50,943**	128,136
Inter-segment sales	**10,931**	9,653	**–**	–	**(10,931)**	(9,653)	**–**	–
Total revenue	**49,781**	128,203	**12,093**	9,586	**(10,931)**	(9,653)	**50,943**	128,136
RESULTS								
Segment operating results before impairment charges	**(9,335)**	17,381	**(7,201)**	50,302			**(16,536)**	67,683
Impairment on trade receivables							**(19,571)**	–
Changes in fair value less estimated point-of-sales costs of biological assets							**(23,284)**	–
Unallocated corporate income							**1,454**	2,756
Unallocated corporate expenses							**(529)**	(2,465)
Finance costs							**(17,557)**	(20,186)
Taxation							**38**	(3,972)
(Loss) profit for the period							**(75,985)**	43,816

3. FINANCE COSTS

	For the six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest expense on bank loans borrowings wholly repayable within five years	**4,005**	6,673
Interest expense on obligations under finance leases	**65**	321
Effective interest expense on convertible notes	**13,487**	13,192
	17,557	20,186

4. TAXATION

	For the six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	540
PRC Enterprise Income Tax	**42**	3,382
Overprovision in prior years:		
Hong Kong Profits Tax	**(80)**	–
	(38)	3,922
Deferred tax charge for the period	**–**	50
	(38)	3,972

Hong Kong Profits Tax was provided at the rate of 16.5% (six months ended 30 June 2008: 16.5%) of the estimated assessable profits arising in Hong Kong for the period.

The new Corporate Income Tax Law in PRC increases the corporate income tax rate for foreign investment enterprises from previous preferential rates to 25% with effect from 1 January 2008. The Companies established in the PRC before 16 March 2007 and previously taxed at the rate lower than 25% may be offered a gradual increase of tax rate of 25% within 5 years. Certain subsidiaries of the Company established in the PRC will enjoy preferential income tax rate from 2009 to 2011 and be taxed at the rate of 25% from 2012 when the preferential treatment expires.

5. (LOSS) PROFIT FOR THE PERIOD

The Group's (loss) profit for the period is arrived at after charging (crediting):

	For the six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**39,046**	88,962
Gain from changes in fair value of biological assets less estimated point-of-sales costs	**–**	(60,211)
Depreciation and amortisation	**5,338**	5,831
Changes in fair value less estimated point-of-sales costs of biological assets	**23,284**	–
Impairment on trade receivables	**19,571**	–
Equity-settled share option expenses	**529**	2,465
Operating lease rental in respect of rental premises	**1,203**	1,287

6. INTERIM DIVIDEND

No dividends were paid, declared or proposed during the reported Period. The directors do not recommend the payment of an interim dividend (six months ended 30 June 2008: Nil).

7. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	For the six months ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
(Loss) earnings:		
(Loss) earnings for the purpose of basic (loss) earnings per share	**(64,018)**	16,124
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**13,487**	4,691
(Loss) earnings for the purpose of dilutive earnings per share	**(50,531)**	20,815

	For the six months ended 30 June	
	2009	2008
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**866,912,753**	747,846,050
Effect of dilutive potential ordinary shares:		
– share options	**–**	2,183,908
– convertible notes	**1,133,666,667**	1,200,333,333
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,000,579,420**	1,950,363,291

The weighted average number of ordinary shares for the six months ended 30 June 2008 had been adjusted for the open offer which was completed in 1 April 2009.

Diluted loss per share has not been presented for the six months ended 30 June 2009 as the conversion of the Company's outstanding convertible notes would decrease the loss per share.

8. TRADE AND OTHER RECEIVABLES

The Group adopts a general policy of allowing average credit periods ranging from 90 days to 180 days to its trade customers.

	As at 30 June 2009 (unaudited) ***HK$'000***	As at 31 December 2008 (audited) *HK$'000*
Trade receivables	**116,392**	162,205
Less: Provision for doubtful debts	**(19,571)**	(41,735)
	96,821	120,470
Deposits, prepayments and other receivables	**23,232**	42,293
	120,053	162,763

An aged analysis of trade receivables (net of allowance for bad and doubtful debts) is as follows:

	As at 30 June 2009 (unaudited) *HK$'000*	As at 31 December 2008 (audited) *HK$'000*
Within 90 days	**13,860**	34,577
91 to 180 days	**5,930**	41,305
Over 180 days	**77,031**	44,588
Trade receivables	**96,821**	120,470

9. TRADE AND OTHER PAYABLES

An aged analysis of the trade payables is as follows:

	As at 30 June 2009 (unaudited) *HK$'000*	As at 31 December 2008 (audited) *HK$'000*
Within 90 days	**7,688**	11,287
91 to 180 days	**6,079**	2,095
Over 180 days	**3,564**	5,859
Trade payables	**17,331**	19,241
Other payables	**27,538**	25,688
	44,869	44,929

MANAGEMENT DISCUSSION AND ANALYSIS

China Botanic is the largest manufacturer and provider of seabuckthorn in China, and a leading manufacturer and provider of a comprehensive range of seabuckthorn-related products and healthcare products in the country. Leveraging on its economies of scale and vertically integrated model, the Group is well-positioned to capture the growing potential of the seabuckthorn sector in the healthcare market in China.

The Group is also a leading operator in food manufacturing, sales and distribution, exports, and research and development with over 50 years of experience. It offers over 200 types of quality snack products in unique Asian flavours, enriching people's savours and tastes, under the renowned "Wah Yuen", Rocco" and "采楓" brands.

Results Summary

For the period ended 30 June 2009, the Group reported a turnover of approximately HK$51 million, representing a decrease of approximately 60% over the same period last year. As most of the Group's market and customers had continued to weaken in the first half of 2009 against the background of deteriorating economic conditions, the Group suffered fall in revenue as a result of containment measure in delivery of products through its tighten credit management policy. We considered this measure necessary and in line with our diligent strategies.

The implementation of containment measures also impacted the utilisation of capacity that led profit margins to be depressed. In addition to the deterioration of revenue and profit margins as well as the interest expenses on convertible notes, the impairment charges on trade receivables and change in fair value of biological assets also contributed to results falling for the six months ended 30 June 2009.

The net loss attributable to the equity holders of the Company for the period amounted to HK$64 million, as compared with a profit of HK$16 million in the same period in 2008. The basic loss per share amounted to HK7.38 cents, against basic earnings per share of HK2.16 cents in 2008 (after adjusting for the open offer which was completed in 1 April 2009).

The Board does not propose any interim dividend for the year ended 30 June 2009.

Business Review

Seabuckthorn and Related Healthcare Products

During the period under review, the seabuckthorn and related business reported revenue of HK$12 million, which represented an increase of HK$2.4 million, or 26% over HK$9.6 million in the same period last year.

The Group continued to undertake steps to review and integrate the new business and operation. The focus of review was to determine an appropriate strategy in the current economic conditions so as to maintain and improve long-term profitability. The integration objectives should be focusing on optimising returns from existing production sources in seabuckthorn segment and also exploring new revenue streams with its current extensive products portfolio.

The Group also implemented cost reduction plan to align its operations and resources to meet an increasingly competitive health care products and seabuckthorn related-products environment in order to help restore its capability and chart the path to profitable growth.

Packaged Food and Convenience Frozen Food Products

For the six month ended 30 June 2009, the production and sales of snack food and convenience frozen food products continued to be the Group's major revenue contributor. However, the total sales decreased by 67% to HK$39 million compared to the same period in 2008.

During the period, the Group instigated containment measure in delivery of products as a result of the continuation of tough market conditions where the Group had seen certain retailers and distributors delayed or reassessed their orders and competition in our market intensified. This measure impacted the trading performance and margins over the period. Pet food business, however, continued to trade well with their successful formulae and through the introduction of more product ranges and new business avenues.

Furthermore, the recessionary economic environment and the precipitous decline in consumption in first half of 2009 also posted exceptional challenges to the market players. Although the negative publicity of food safety surrounded the PRC passed away, the stringent inspection requirement for all export companies in China still affected the Group's export volume and shipment time in the PRC.

The Group continued to take early and tough action to align overheads to a fall in revenue to optimise and consolidate the distribution network and sales points, and further strengthened cooperation with a number of key accounts, including supermarkets and convenience stores, maintaining its effective presence in the market.

Production Facilities

Currently, the Group operates three production facilities, which are located in Hong Kong and at Huadu District of Guangzhou in Guangdong Province while, the Group has its own seabuckthorn cultivation bases in Erdos Plateau, Loess Plateau and seedling bases over a total area of about 340,000 hectares in Beijing, Inner Mongolia Autonomous Region, Shaanxi province and Shanxi province, and the total planting area will increase at a speed of over 10% annually according to our plan of planting 40,000 hectares per year.

Accredited the internationally recognized Hazard Analysis and Critical Control Point (HACCP) certificate as well as the ISO 9001 and ISO 9002 certificates, the Group's highly efficient production lines maintained smooth operation, delivering quality products in compliance with excellent hygiene standard.

Future Prospects

2009 is a turbulent and transformational year for China Botanic. The Group expects market conditions continue to deteriorate in this year and anticipate that trading conditions will remain challenging particularly in our customers and markets over the remainder of the year. In the circumstances our drive for tighten cost control and cash generation remains a key focus for the Group. These actions, coupled with the Group's recently strengthen financial position through the open offers, leaves us well placed both to meet the current challenges and to capitalise on a future market recovery.

On 21 September 2009, the resolution approving the open offer has been duly passed at the extraordinary general meeting. The net proceeds of approximately HK$279 million will be received and applied for financing possible diversified business strategies of the Group including but not limited to purchase and development of properties located in the PRC from China Water and/or other parties. The Group believes that the fundamental risks for property market in the PRC are well contained. Loans to the household sector picked up notably this year given the continued recovery in property transaction volumes since late last year. These conditions prompt the Group to take part in property development in the PRC. The Group also nominated and appointed the directors who have substantial experience in property development and management in the PRC in order to translate into organisational efficiencies throughout our new business strategy.

The Group's turnaround strategy, which over the longer term aims to revive all brands to growth and profitability, is processing and will focus on rebuild to be a stronger and more competitive company than ever before.

FINANCIAL POSITION

The Group's cash and bank balances together with deposits amounted to HK$30.2 million at 30 June 2009. The Group had total assets of HK$491 million and its total current assets was HK$209 million. The current and non-current assets was HK$120 million and HK$312 million respectively. The amount of bank borrowings was HK$91 million (31.12.2008: HK$117 million). Most of bank borrowings were denominated in Hong Kong dollars and bearing a floating rate of interest. At 30 June 2009, total loan facilities outstanding and convertible notes amounted to HK$93 million and HK$264 million respectively. Based on a net borrowings of HK$327 million at period end, the Group's gearing ratio (expressed as a ratio of net borrowings to total assets) was 66.6% (31.12.2008: 62.7%).

In the circumstances of current business and financial market conditions, the Group will endeavor to maintain a low level of gearing and continue to monitor the market situation for any financing needs and opportunities.

EXPOSURE TO FLUCTUATION IN FOREIGN EXCHANGE

Most of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars or Renminbi. The usual treasury policy of the Group is to manage significant currency exposure and minimize currency risk whenever it may have material impact on the Group. During the period under review, the Group entered into foreign currency forward contracts to manage the Group's exposure to fluctuation in exchange rates. The fair value of the contract amounted to HK$6.4 million as at 30 June 2009. Other than derivative financial instruments in connection with our daily operations as mentioned above, the Group had not entered into other derivative financial instruments throughout the period. There was no material foreign exchange exposure to the Group during the period under review.

MATERIAL ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2009, the Group has no material acquisitions and disposals.

PLEDGED OF ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

There was no material changes in the Group's pledged of assets, contingent liabilities and commitments as compared to the most recent published annual report.

POST BALANCE SHEET EVENT

(a) Alteration of the terms of 2010 Notes

On 7 July 2009, the Company announced the proposal of alteration of the conversion price of 2010 Notes from HK$1.144 per share to HK$0.4 per share and subsequently entered into a deed of alteration with the noteholders on 14 July 2009. Further details have been provided in the Company's circular dated 16 July 2009.

(b) Open offer

On 10 August 2009, the Company announced an open offer of not less than 5,689,531,245 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 offer shares for every one existing share held by the qualifying shareholders on the record date and payable in full on application. Further details have been provided in the Company's circular dated 4 September 2009. The resolution approving the open offer has been duly passed at the extraordinary general meeting on 21 September 2009 and 5,777,031,245 shares will be issued and fully paid. The net proceeds of approximately HK$279 million will be applied for financing possible diversified business strategies of the Group including but not limited to purchase and development of properties located in the PRC from China Water and/or other parties.

(c) Proposed change of Company name

On 10 August 2009, the Company announced the proposal to change the name of the Company from "China Botanic Development Holdings Limited 中國植物開發控股有限公司" to "China Water Property Group Limited 中國水務地產集團有限公司". The change of name of the Company is subject to the passing of a special resolution by the shareholders at the extraordinary general meeting on 28 September 2009 and also the Registrar of Companies in the Cayman Islands approving the change of Company's name. Further details have been provided in the Company's circular dated 4 September 2009.

(d) Increase in the authorised share capital

On 10 August 2009, the Company announced the proposal 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 resolution approving the increase in authorised share capital had been duly passed at the extraordinary general meeting on 21 September 2009. Further details have been provided in the Company's circular dated 4 September 2009.

(e) Application for amendments of land use

On 18 September 2009, the Company announced the proposal of application to the relevant PRC authorities to amend the use of the land currently occupied by the property used as production facilities of the Group located in Huadu District of Guangzhou in Guangdong Province of the PRC from industrial use to residential-commercial use. The Company also approved that subject to obtaining relevant approvals for the amendments of the land use, the location of the production facilities will change to another appropriate location in the PRC.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2009, the total number of employees of the Group was approximately 600. The total staff costs for the period under review were approximately HK$10.7 million (six months ended 30 June 2008: HK$9.8 million). The Group offers comprehensive remuneration and employees' benefits package to its employees. In additions, share options and discretionary bonuses are also granted to eligible staff based on their performance and the results of the Group.

INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2009 (six months ended 30 June 2008: Nil).

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares for the six months ended 30 June 2009.

COMPLIANCE WITH APPENDIX 10 OF THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own Code of Conduct regarding securities securities transaction by the Directors. Having made specific enquiry of all directors, the directors have confirmed that they have complied with the Model Code throughout the period under review.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all applicable code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the six-months period to 30 June 2009.

AUDIT COMMITTEE

The audit committee comprises three members namely Mr. Ku Siu Fung, Stephen, Ms. Li Ling and Mr. Tam Pei Qiang who are independent non-executive directors of the Company. The audit committee has reviewed the accounting principles and practices adopted by the Company and discussed internal control and financial reporting matters with management relating to the preparation of unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2009.

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

Hong Kong, 25 September 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.