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中國水務地產集團有限公司
CHINA WATER PROPERTY GROUP LIMITED

(Formerly known as “China Botanic Development Holdings Limited”)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2349)

**TOP-UP PLACING
AND
RESUMPTION OF TRADING**

Placing Agent



On 16 November 2009 the Company entered into the conditional Placing and Subscription Agreement with the Placing Agent and the Subscriber for the Placing of up to an aggregate of 207,580,000 existing Placing Shares to the Placees at the Placing Price of HK\$0.142 per Placing Share and the Subscription of up to 207,580,000 new Subscription Shares by the Subscriber at the Subscription Price of HK\$0.142 per Subscription Share.

The Placing Shares represent, in aggregate, (i) approximately 2.99% of the existing issued share capital of the Company; and (ii) approximately 2.91% of the issued share capital of the Company as enlarged by the Subscription.

The gross proceeds of the Subscription will be approximately HK\$29,476,360. The net proceeds of the Subscription of approximately HK\$28,800,000 will be applied towards the general working capital of the Group. In light of the proposed diversification of business of the Group to the PRC property market, the Directors consider that it is necessary and prudent for the Group to have sufficient fund to meet its capital requirement as a result of the proposed diversification and expansion of business of the Group.

At the request of the Company, trading in the issued Shares has been suspended from 9:30 a.m. on 16 November 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the issued Shares from 9:30 a.m. on 17 November 2009.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date	:	16 November 2009
Issuer	:	The Company
Placing Agent	:	Guotai Junan Securities (Hong Kong) Limited, an Independent Third Party
Subscriber	:	China Water Affairs Group Limited, a listed company in Hong Kong and a substantial Shareholder of the Company

The Placing Agent has been appointed to place the Placing Shares on a best effort basis and will receive a placing commission of 1.75% on the gross proceeds of the Placing. The placing commission was arrived at after arm's length negotiations between the Company, the Subscriber and the Placing Agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, up to 207,580,000 Placing Shares to the Placees at a price of HK\$0.142 per Share and the Subscriber will subscribe for the Subscription Shares at a price of HK\$0.142 per Share. Details of the Placing and the Subscription are set out below.

1. Placing

Placees

The Placing Shares will be placed on a best effort basis to not less than six Placees with their ultimate beneficial owners(s) to be Independent Third Party(ies).

It is expected that none of the Placees will become substantial Shareholder of the Company immediately after the Placing.

Placing Shares

The 207,580,000 Placing Shares represent, in aggregate, (i) approximately 2.99% of the existing issued share capital of the Company; and (ii) approximately 2.91% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The Placing Shares rank, *pari passu* among themselves and with the other Shares in issue as at the date of this announcement.

Placing Price

The Placing Price of HK\$0.142 per Placing Share represents:

- (i) a discount of approximately 11.80% to the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on 13 November 2009, being the last trading day immediately before the entering into of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 8.97% to the average of the closing prices of approximately HK\$0.156 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 13 November 2009, being the last trading day immediately before the entering into of the Placing and Subscription Agreement.

The Placing Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the recent market prices and the liquidity of the Shares. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing Costs

The Company shall pay to the Placing Agent the placing commission of 1.75% on the gross proceeds of the Placing and be responsible all reasonable costs, fees and expenses in relation to the preparation and completion of the Placing and Subscription Agreement.

Completion of the Placing

The Placing is unconditional and completion of the Placing will take place on 18 November 2009 (or such other date as may be agreed by the Subscriber and the Placing Agent).

2. Subscription

Subscription Shares

Up to 207,580,000 Subscription Shares, which will be equivalent to the number of Placing Shares actually placed under the Placing, will be subscribed by the Subscriber under the Placing and Subscription Agreement and represent, in aggregate, (i) approximately 2.99% of the existing issued share capital of the Company; and (ii) approximately 2.91% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription.

The Subscription Shares will rank pari passu among themselves and with the other Shares in issue as at the date of the allotment and issue of the Subscription Shares.

General mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the Current General Mandate. The maximum number of Shares that can be issued under the Current General Mandate is 207,581,250 Shares. As at the date of this announcement, (i) no portion of the Current General Mandate was utilised; (ii) the Company has not allotted and issued any Shares pursuant to the Current General Mandate; and (iii) the Current General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement.

Subscription Price

The Subscription Price of HK\$0.142 per Subscription Share represents:

- (i) a discount of approximately 11.80% to the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on 13 November 2009, being the last trading day immediately before the entering into of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 8.97% to the average of the closing prices, of approximately HK\$0.156 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 13 November 2009, being the last trading day immediately before the entering into of the Placing and Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agent with reference to the recent market prices and the liquidity of the Shares. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$0.139 per Subscription Share.

Conditions precedent

The Subscription is conditional upon the followings:

- (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the completion of the Placing.

In the event that the conditions of the Subscription are not fulfilled on or before 29 November 2009 (or such other date as may be agreed between the parties in writing), the Placing and Subscription Agreement shall cease and neither the Company, the Subscriber nor the Placing Agent shall have any claim against the others under the Placing and Subscription Agreement in respect of the Subscription.

Completion of the Subscription

Completion of the Subscription will take place within the next business day (or such other date as may be agreed by the Company) after the conditions of the Subscription have been fulfilled. The Subscription must be completed on or before 30 November 2009, being 14 days from the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders.

Force majeure

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing and Subscription Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the 18 November 2009 if:

- (1) there is any significant change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any material breach of the warranties, representations and undertakings given by the Company and/or the Subscriber in the Placing and Subscription Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

Upon termination of the Placing and Subscription Agreement pursuant to the above mentioned force majeure factors, all liabilities of the parties thereto shall cease and no party of the Placing and Subscription Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing and Subscription Agreement save of any antecedent breach of any obligation under the Placing and Subscription Agreement.

Application for listing

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Reasons for the Placing and the Subscription and the 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 Group will also diversify its business in PRC property development as announced earlier.

The Board considers that the Placing and the Subscription represent an opportunity to raise capital for the Group while broadening its shareholder and capital base.

The gross proceeds of the Subscription will be approximately HK\$29,476,360. The net proceeds of the Subscription of approximately HK\$28,800,000 will be applied towards the general working capital of the Group. In light of the proposed diversification of business of the Group to the PRC property market, the Directors consider that it is necessary and prudent for the Group to have sufficient fund to meet its capital requirement as a result of the proposed diversification and expansion of business of the Group.

The Directors consider that the Placing and Subscription Agreement is entered into under normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing and Subscription Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Placing and the Subscription are as follows:

Shareholders	Issued share capital as at the date of this announcement		Issued share capital immediately after the Placing but before the Subscription		Issued share capital after the Placing and the Subscription	
	<i>Approximate</i>		<i>Approximate</i>		<i>Approximate</i>	
	<i>No. of Shares</i>	<i>Percentage</i>	<i>No. of Shares</i>	<i>Percentage</i>	<i>No. of Shares</i>	<i>Percentage</i>
China Water Affairs Group Limited and its associates	1,984,706,172	28.63%	1,777,126,172	25.64%	1,984,706,172	27.80%
Mr. But Ka Wai and his associates (Note 1)	50,000,000	0.72%	50,000,000	0.72%	50,000,000	0.70%
Prime Investments Holdings Limited (Note 2)	481,339,994	6.94%	481,339,994	6.94%	481,339,994	6.74%
<i>Public Shareholders</i>						
Placees	–	–	207,580,000	2.99%	207,580,000	2.91%
Other Public Shareholders	<u>4,416,391,328</u>	<u>63.71%</u>	<u>4,416,391,328</u>	<u>63.71%</u>	<u>4,416,391,328</u>	<u>61.85%</u>
Total	<u>6,932,437,494</u>	<u>100.00%</u>	<u>6,932,437,494</u>	<u>100%</u>	<u>7,140,017,494</u>	<u>100.00%</u>

Notes:

1. Mr. But Ka Wai is the Chairman and an executive Director of the Company.
2. Ms. Wang Wen Xia, the Vice Chairman and an executive Director of the Company, is also an executive director of Prime Investments Holdings Limited, a listed company in Hong Kong.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

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
10 August 2009	Open Offer of 5,777,031,245 new Shares	HK\$279 million	financing possible diversified investments of the Group including but not limited to purchase and development of properties located in the PRC from China Water Affairs Group Limited and/or other independent third parties	As to approximately HK\$97,000,000 will be utilised for the acquisition and formation of joint venture as announced in the announcements of the Company dated 29 October 2009, the remaining proceeds of approximately HK\$182,000,000 has not been utilised yet

GENERAL

At the request of the Company, trading in the issued Shares has been suspended from 9:30 a.m. on 16 November 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the issued Shares from 9:30 a.m. on 17 November 2009.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being Saturdays, Sunday or public holidays) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours

“Company”	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
“Current General Mandate”	the general mandate granted to the Directors to allot, issue and deal with Shares at the annual general meeting of the Company held on 19 June 2009
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, 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 of the Company in accordance with the Listing Rules
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing and Subscription Agreement
“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited, the Placing Agent and a licensed corporation to carry out regulated activities under the Securities and Futures Ordinance in Hong Kong
“Placing and Subscription Agreement”	the agreement dated 16 November 2009 and entered into among the Company, the Placing Agent and the Subscriber in respect of the Placing and the Subscription
“Placing Price”	the placing price of HK\$0.142 per Placing Share

“Placing Shares”	up to an aggregate of 207,580,000 existing Shares to be placing by the Placing Agent on behalf of the Subscriber under the Placing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China Water Affairs Group Limited, a listed company in Hong Kong and a substantial Shareholder of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$0.142 per Subscription Share
“Subscription Shares”	up to 207,580,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Placing and Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Water Property Group Limited
But Chai Tong
Vice Chairman

Hong Kong, 16 November 2009

As at the date of this announcement, the Board comprises Mr. But Ka Wai (Chairman), Ms. Wang Wen Xia (Vice 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. Chen Ziqiang, Mr. Tam Pei Qiang and Ms. Li Ling as independent non-executive Directors.