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中國植物開發控股有限公司

CHINA BOTANIC DEVELOPMENT HOLDINGS LIMITED

(formerly known as Wah Yuen Holdings Limited 華園控股有限公司)

(incorporated in Cayman Islands with limited liability)

(Stock code: 2349)

DISCLOSEABLE TRANSACTION ACQUISITION OF ENTIRE EQUITY INTEREST OF GUANGDONG KANGLI PHARMECEUTICAL COMPANY LIMITED (廣東康力醫藥有限公司)

On 18 August 2008, Seabuckthorn Shenzhen, a wholly-owned subsidiary of the Company entered into the Acquisition Agreement with the Vendor, agreed to acquire from the Vendor the entire equity interest in Guangdong Kangli for an aggregate consideration of RMB23,600,000 (equivalent to approximately HK\$27,126,437). The Acquisition Agreement became effective on 20 August 2008 as agreed by the parties.

Under the Acquisition Agreement, the Consideration is to be satisfied by the Purchaser in cash three days after entering into the Acquisition Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its associates are Independent Third Parties.

As the relevant percentage ratios referred to in Chapter 14 of the Listing Rules for the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, further information in respect of the Acquisition will be sent to the Shareholders as soon as practicable.

THE ACQUISITION AGREEMENT

Date: 18 August 2008 (becoming effective on 20 August 2008 as agreed by the parties)

Parties:

Purchaser: 深圳高原聖果生物科技有限公司 (Shenzhen Conseco Seabuckthorn Biotechnology Company Limited*), a wholly-owned subsidiary of the Company

Vendor: Hui Ching Yu (許瀨予)

The Vendor is a Hong Kong citizen. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, there is no prior transaction (other than the Acquisition) between the Company and the Vendor which would required to be aggregated under Rule 14.22 of the Listing Rules.

Assets to be acquired

The asset to be acquired is the entire equity interest in Guangdong Kangli. As at the date of this announcement and prior to Completion, the entire registered and paid up capital of Guangdong Kangli are beneficially owned by the Vendor.

Consideration

The total consideration for the Sale Shares is RMB23,600,000 (equivalent to approximately HK\$27,126,437) to be satisfied by the Purchaser in cash by transferring into the designated account of the Vendor upon completion.

The Group intends to finance the Consideration payable by the Purchaser from its internal resources. The Consideration was arrived at after arms length negotiation between the parties and with reference to the costs, difficulties and time consumed for obtaining a direct sales license issued by the Ministry of Commerce of the PRC (中國商務部) ("MOC"), including but not limited to (i) payment of costs such as marketing and promotion costs, costs for obtaining approval for direct sales of particular products, costs for establishing direct sales points, costs for obtaining the retain sales approval for different province, logistic approval and e-commerce sales approval which in aggregate amount to approximately RMB26,000,000 (equivalent to approximately HK\$29,885,057); (ii) complete the sales point checking procedures; and (iii) obtaining other approvals necessary to carry on the direct sales business, e.g. the retail sales approval for different provinces, logistic approval and e-commerce sales approval.

Further, taking into account the growth potentials of Guangdong Kangli, the extensive sale network currently in operation, and the possible earning contribution to the Group in the future, the Directors consider the Consideration to be fair and reasonable so far as the Company and the Shareholders are concerned and is in the interest of the Company and the Shareholders as a whole.

Information on Guangdong Kangli

Guangdong Kangli is a company established in the PRC with registered capital of RMB80,000,000 (equivalent to approximately HK\$91,954,023), the entire equity interest is owned by the Vendor. It is principally engaged in direct sales of medicine, health care products and equipments in the PRC. Guangdong Kangli is the holder of the License dated 8 January 2007 issued by Ministry of Commerce of the PRC (中國商務部), which mainly covers the direct sales of health care products and equipments in Shenzhen. The scope of the License mainly covers the direct sales of health care products and equipments. Further Guangdong Kangli has also been appointed as one of the first eight companies engaging in pharmaceutical e-commerce selling on the internet by State Food and Drug Administration (國家藥品監督管理局).

According to the unaudited consolidated financial statements of Guangdong Kangli prepared under the PRC accounting standard, for the year ended 31 December 2006, the net loss before and after taxation was approximately RMB2,821,500 (equivalent to approximately HK\$3,243,103) and approximately RMB2,821,500 (equivalent to approximately HK\$3,243,103) respectively. For the year ended 31 December 2007, the net loss before and after taxation was approximately RMB10,061,300 (equivalent to approximately HK\$11,564,713) and RMB10,061,300 (equivalent to approximately HK\$11,564,713) respectively. The net assets value of Guangdong Kangli was approximately RMB64,191,600 (equivalent to approximately HK\$73,783,448) and approximately RMB51,313,100 (equivalent to approximately HK\$58,980,575) as at 31 December 2006 and 31 December 2007 respectively.

Upon Completion Guangdong Kangli shall become an indirect wholly-owned subsidiary of the Company and its accounts will be consolidated into the Group's accounts as subsidiary of the Company.

Listing Rules implication

As the relevant percentage ratios as referred to in Chapter 14 of the Listing Rules for the Acquisition is more than 5% but less than 25%, the Acquisition constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, further information in respect of the Acquisition will be despatched to the Shareholders in accordance with the Listing Rules in due course.

REASONS FOR THE ACQUISITION

The Company is an investment holding company. The principal activities of the Company's subsidiaries comprise manufacturing, distribution and marketing of snack food products and convenience frozen food products in Hong Kong and the PRC, as well as trading and investment holding. The Group is also engaged in seabuckthorn seedings, manufacturing and sale of seabuckthorn related health products in the PRC.

The Group considered that after extended its business to the market of seabuckthorn related health products, thus diversifying its revenue and its profit based, the Group also intended to seek a direct sales of health food products in the market of the PRC. In view of the increasing health awareness of the population worldwide, including the PRC, the Directors believe that in addition to the development and manufacture of seabuckthorn related health products, the Acquisition provides the Group with great opportunity to be able to emerge to the direct sales business of health products in the PRC, and provides vertical integration effect. According to the opinion of the PRC lawyer of the Company, in order to be registered as a company involving in direct sales, the registered paid up capital of that company should be not less than RMB80,000,000 (equivalent to approximately HK\$91,954,623). As at the date of this announcement, according to statistic in the website of Administration of Industry and Commerce of the PRC, there are only 20 companies in the PRC obtained the direct sales license and completed the sales point checking procedures. Given that it is difficult for a company in the PRC to obtain the License, the Group considers that it is more cost effective to acquire a company with an already granted License.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

A circular containing, among other things, details of the Acquisition Agreement will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

“Acquisition”	the acquisition made by Seabuckthorn Shenzhen of the entire equity interest of Guangdong Kangli
“Acquisition Agreement”	the sale and purchase agreement dated 18 August 2008 entered into between the Vendor and Seabuckthorn Shenzhen in relation to the Acquisition
“associates”	has the meaning ascribed to it under the Listing Rules

“Board”	board of Directors
“Company”	China Botanic Development Holdings Limited (formerly known as Wah Yuen Holdings Limited), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition Agreement
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB\$23,600,000 (equivalent to approximately HK\$27,126,437) payable by Seabuckthorn Shenzhen for the Acquisition and to be satisfied in the manner described in this announcement
“Directors”	directors of the Company (including the independent non-executive directors) of the Company from time to time
“Group”	the Company and its subsidiaries
“Guangdong Kangli”	廣東康力醫藥有限公司 (Guangdong Kangli Pharmaceutical Company Limited*), a wholly-foreign own enterprise, established under the laws of the PRC, whose entire equity capital is currently held by the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any party and its ultimate beneficial owners who are third parties independent of the Company and its connected person
“License”	the direct sale license regarding direct sales of health products and equipments directly owned by Guangdong Kangli
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Seabuckthorn Shenzhen”	深圳高原聖果生物科技有限公司 (Shenzhen Conseco Seabuckthorn Biotechnology Company Limited*), a wholly-owned subsidiary of the Company incorporated in the PRC with limited liability

“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Hui Ching Yu (許瀨予), a Hong Kong citizen, an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information purpose only and should not be regarded as the official English names of such Chinese names.*

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.00 to RMB0.87. This exchange rate is adopted for the purpose of illustration only and do not constitute a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate at all.

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

Hong Kong, 26 August 2008

As at the date of this announcement, the Board comprises Mr. But Ching Pui (honorary Chairman), Mr. But Ka Wai (Chairman), Mr. But Chai Tong (Vice Chairman) and Mr. Ying Wei as executive Directors, Madam Leung Wai Ling and Mr. Ngai Chun Kong, Stephen as non-executive Directors and Mr. Cheung Yu Yan, Tommy, Mr. Ip Shing Tong, Francis, Mr. Ku Siu Fung, Stephen and Mr. Chen Ziqiang as independent non-executive Directors.