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中國植物開發控股有限公司

CHINA BOTANIC DEVELOPMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liabilities)

(Stock Code: 2349)

DESPATCH OF CIRCULAR AND CLARIFICATION ANNOUNCEMENT

The Circular issued by the Company containing, among other things, (i) details of the Open Offer, the Loan Capitalisation and the Whitewash Waiver; (ii) the letter of advice from the Independent Board Committee of the Company; (iii) the letter from the Independent Financial Advisers to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, will be despatched to the Shareholders on 16 February 2009.

The Board will also like to clarify that after further clarification, the Loan Capitalisation will not constitute a special deal under the Takeovers Code and accordingly, the Special Deal will not be proposed to the Independent Shareholders at the EGM for approval and no consent of the Executive will be sought regarding the Special Deal. On 11 February 2009, the Company and the Underwriter has entered into a supplemental underwriting agreement such that the Open Offer will not be subject to the consent of the Executive to the Special Deal.

The Loan Capitalisation itself constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and requires the approval of Independent Shareholders at the EGM.

Reference is made to the announcements (the “**Announcements**”) of the Company dated 19 November 2008, 27 November 2008, 10 December 2008, 11 December 2008, 9 January 2009 and 23 January 2009 in relation to, among other matters, the Open Offer, the Whitewash Waiver, the Special Deal and the Loan Capitalisation. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

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Shareholders are encouraged to read the Circular carefully, and in particular the letter of advice from the Independent Financial Advisers and the recommendation of the Independent Board Committee of the Company to the Independent Shareholders contained therein before voting on the relevant resolutions at the EGM to be held at 2nd Floor, On Shing Industrial Building, Nos 2-6 Wo Liu Hang Road, Fo Tan, Shatin, New Territories, Hong Kong on 4 March 2009 at 9:30 a.m..

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

Hong Kong, 16 February 2009

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), Mr. Ying Wei and Ms. Gao Jihong as executive Directors, Ms. Leung Wai Ling and Ms. Wang Fang 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.