

**DATE: 11 February 2009**

**CHINA BOTANIC DEVELOPMENT HOLDINGS LIMITED  
(as the Company)**

**and**

**CHINA WATER AFFAIRS GROUP LIMITED  
(as the Underwriter)**

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**SUPPLEMENTAL UNDERWRITING AGREEMENT**

**relating to an open offer of not less than 345,968,750  
and not more than 415,040,428 Offer Shares  
in the share capital of  
CHINA BOTANIC DEVELOPMENT HOLDINGS LIMITED**

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**Michael Li & Co.  
Solicitors  
14th Floor, Printing House  
6 Duddell Street  
Central, Hong Kong  
(Ref: CCL/083018)**

**THIS AGREEMENT** is dated 11 February 2009

**BETWEEN:**

- (1) **CHINA BOTANIC DEVELOPMENT HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability whose registered office is situate at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the "**Company**"); and
- (2) **CHINA WATER AFFAIRS GROUP LIMITED**, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and having its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda (the "**Underwriter**").

**WHEREAS:**

- (A) Pursuant to an agreement (the "**Underwriting Agreement**") dated 17 November 2008 (as supplemented by the supplemental agreement dated 6 January 2009) and entered into between the Company and the Underwriter relating to the open offer of Shares, the Underwriter has agreed to underwrite the Underwritten Shares on the terms and conditions set out therein.
- (B) The parties to the Underwriting Agreement have agreed to vary certain terms of the Underwriting Agreement in the manner as set out in this supplemental agreement ("**this Supplemental Agreement**").

**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS**

- 1.1 In this Supplemental Agreement and unless the context otherwise requires, definitions and interpretations used in the Underwriting Agreement shall have the same meaning herein.
- 1.2 Reference to a Clause shall be a clause of the Underwriting Agreement.

**2. AMENDMENTS TO THE UNDERWRITING AGREEMENT**

- 2.1 The definition of "Special Deal" as referred to in Clause 1.1 of the Underwriting Agreement shall be deleted in its entirety.
- 2.2 The definition of "EGM" as referred to in Clause 1.1 of the Underwriting Agreement shall be amended by substituting the definition thereof as "the extraordinary general meeting of the Company to be convened and held to consider and approve the Loan Capitalisation, the Whitewash Waiver".
- 2.3 Clause 2.1 of the Underwriting Agreement shall be deleted in its entirety and be substituted by the following new Clause 2.1:

"2.1 The Open Offer is conditional upon:

- (a) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) (such vote shall be taken by way of poll) to approve the Loan Capitalisation and the Whitewash Waiver;
- (b) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (c) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;
- (d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares;
- (e) compliance with and performance of all the undertakings and obligations of the Company under this Agreement;
- (f) compliance with and performance of all the undertakings and obligations of China Water under this Agreement;
- (g) the Executive granting the Whitewash Waiver to the Underwriter and parties acting concert with it and the satisfaction of all conditions (if any) attached to the Whitewash Waiver and the consent;
- (h) the Open Offer and the transactions contemplated thereunder not being regarded as a reverse takeover under Rule 14.06 of the Listing Rules; and
- (i) all necessary consents and approval to be obtained by the Underwriter having been duly obtained.”

### 3. GENERAL

Subject only to the variations herein contained and such other alterations (if any) as may be necessary to make the Underwriting Agreement consistent with this Supplemental Agreement, the Underwriting Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this Supplemental Agreement were inserted therein by way of addition or substitution, as the case may be.

### 4. GOVERNING LAW AND JURISDICTION

- 4.1 This Supplemental Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 4.2 The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts

of Hong Kong but this Supplemental Agreement may be enforced in any other court in competent jurisdiction.

**IN WITNESS WHEREOF** this Agreement has been entered into the day and year first above written.

**THE COMPANY**

SIGNED by

for and on behalf of

**CHINA BOTANIC DEVELOPMENT  
HOLDINGS LIMITED**

in the presence of:

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**THE UNDERWRITER**

SIGNED by

for and on behalf of

**CHINA WATER AFFAIRS GROUP  
LIMITED**

in the presence of:

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