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China Bio Cassava Holdings Limited

中國生物資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8129)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PRC SUBSIDIARY

The Board announces that on 28 January 2010, the Vendor, the Purchasers and the Guarantor entered into the Agreement pursuant to which the Purchasers agreed to purchase and the Vendor agreed to sell the entire equity interest held by it in the Target Company, at a cash consideration of RMB2,000,000 (approximately HK\$2,298,851). The Guarantor agreed to guarantee the obligations of the Vendor under a warranty that it gave to the Purchasers about no dispute on ownership or financial matters of the Target Company on Completion.

As the percentage ratio in respect of the assets test for the Disposal exceeds 5% but is less than 25% for the Company, the Disposal therefore constitutes a discloseable transaction of the Company under the GEM Listing Rules.

INTRODUCTION

The Board announces that on 28 January 2010, the Vendor, the Purchasers and the Guarantor entered into the Agreement pursuant to which the Purchasers agreed to purchase and the Vendor agreed to sell the entire equity interest held by it in the Target Company at a cash consideration of RMB2,000,000 (approximately HK\$2,298,851).

SUMMARY OF THE AGREEMENT

Date

28 January 2010

Parties

The Vendor: Q9-Tech Energy Development Limited, a wholly owned subsidiary of the Company

The Purchasers: Deng Jiankun, Xie Yueyuan and Deng Jing

The Guarantor: 羅定市豐智發展有限公司 (Luoding Fengzhi Development Company Limited)*, a company incorporated in the PRC with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers and the Guarantor (and their ultimate beneficial owners) are each independent of and not connected with the Company or its connected persons (as defined in the GEM Listing Rules).

Consideration

The Consideration shall be RMB2,000,000 (approximately HK\$2,298,851), RMB500,000 (approximately HK\$574,713) of which shall be paid on the signing of the Agreement as deposit, and the remaining balance of RMB1,500,000 (approximately HK\$1,724,138) shall be paid on Completion.

The Consideration was arrived at after arm's length negotiations between the Purchasers and the Vendor and determined after taking into account relevant factors including market environment, operating conditions and prospect of the Target Company's business.

In view of the above, the Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Guarantee

The Vendor warrants to the Purchasers that the Target Company has not commenced any business other than the holding of the land use right to the Land and that there is no dispute on ownership or financial matters at the time of Completion. In the event that any such disputes exist before Completion and results in any loss to the Purchasers, the Vendor shall be responsible for all the liabilities. The Guarantor guarantees to the Purchasers the obligations of the Vendor under such warranty.

* *English name for identification purposes only*

Completion

Completion under the Agreement will take place upon completion of the procedures in relation to the change of legal representative and shareholder of the Target Company.

After Completion, the Target Company will cease to be a subsidiary of the Company.

REASON FOR AND BENEFITS OF THE DISPOSAL

The Board (including the independent non-executive directors) considers that the Disposal represents a good opportunity for the Company to withdraw its investments in the Target Company and a non-core business of the Company. The Disposal resulted in an estimated profit before tax for the Company of approximately HK\$48,734 as calculated by the net proceeds of approximately HK\$2,198,851 less the purchase cost of the Land of approximately HK\$2,150,117. The proceeds from the Disposal will be used as the general working capital of the Company, which will further strengthen the financial position of the Company and enable the Company to pursue any other business opportunity which may arise in the future.

The Board (including the independent non-executive directors) believes that the terms of the Agreement are fair and reasonable and on normal commercial terms, and the Disposal is in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, THE TARGET COMPANY AND THE GUARANTOR

The Company is an investment holding company. The Group is principally engaged in computer software and embedded systems development, sales and licensing of software and systems, and development of biotech and renewable energy.

The Target Company is a company established in the PRC and has not commenced business since its incorporation on 18 June 2007 apart from the land use right held by it in relation to the Land. The Target Company has no turnover, net profit before or after taxation and extraordinary items since its incorporation, and has a net asset value of RMB1,870,602 (approximately HK\$2,150,117) and no other significant assets and liabilities as at the date of this announcement.

The Guarantor is a company established in the PRC in 2005 and is independent of and not connected with the Company or its connected persons (as defined in the GEM Listing Rules). The Guarantor is principally engaged in organic food trading.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the percentage ratio in respect of the assets test for the Disposal exceeds 5% but is less than 25% for the Company, the Disposal therefore constitutes a discloseable transaction of the Company under the GEM Listing Rules.

DEFINITIONS

Unless otherwise defined, terms used in this announcement shall have the following meanings:

“Agreement”	the sale and purchase agreement entered into between the Vendor, the Purchasers and the Guarantor on 28 January 2010 relating to the sale and purchase of the Target Company;
“Board”	the board of directors of the Company;
“Company”	China Bio Cassava Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM;
“Completion”	completion of the Disposal in accordance with the Agreement;
“Consideration”	RMB2,000,000 (approximately HK\$2,298,851), the consideration for the Disposal;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Target Company by the Vendor to the Purchasers pursuant to the terms of the Agreement;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Guarantor”	羅定市豐智發展有限公司 (Luoding Fengzhi Development Company Limited)*, a company incorporated in the PRC with limited liability;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

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“Land”	the piece of land situated at Jinli Hua, Long Hua and Wei Long Hua Mountain in Jupou Village, Duyang Town, Yuncheng District, Yunfu City, PRC with an area of 94.567 <i>mu</i> (畝);
“percentage ratio”	has the meaning ascribed to it under Chapter 19 of the GEM Listing Rules;
“PRC”	the People’s Republic of China;
“Purchasers”	collectively, Deng Jiankun, holder of PRC Identity Card No. 442827196905190318, Xie Yueyuan, holder of PRC Identity Card No. 442801197108065013 and Deng Jing, holder of PRC Identity Card No. 442827196310230050;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the holders of Shares;
“Shares”	ordinary shares of HK\$0.0025 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	雲浮市九方農業科技發展有限公司(Yunfu City Jiufang Agriculture Science and Technology Development Company Limited)*, a company incorporated in the PRC with limited liability;
“Vendor”	Q9-Tech Energy Development Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong with limited liability;
“%”	per cent.

Amounts denominated in RMB in this announcement have been converted into HK\$ at the rate of RMB0.87 = HK\$1 for illustration purposes.

By Order of the Board
China Bio Cassava Holdings Limited
Leung Lap Yan
Chairman

Hong Kong, 28 January 2010

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As of the date of this announcement, the executive Directors are Mr. Kwan Kin Chung, Mr. Tam Kam Biu William, Mr. Wan Xiaolin and Mr. Chen Man Lung, the non-executive Directors are Mr. Leung Lap Yan and Mr. Leung Lap Fu Warren, the independent non-executive Directors are Mr. Ip Chi Wai, Mr. Tse Wang Cheung Angus and Mr. Shiu Kwok Keung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- (2) there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “latest company announcement” page for at least 7 days from the day of its posting and on the Company’s website at www.bio-cassava.com.