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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)

(Warrant Code: 8187)

ANNOUNCEMENT

On 22 February 2012 (after trading hours), the Company as purchaser entered into the conditional Agreement with the Guarantor and the Vendor in relation to the acquisition of the entire equity interests of the Target Company. The Agreement would constitute a major transaction on the part of the Company.

After the entering into of the Agreement, the Company and the Vendor entered into further negotiations in respect of certain terms and conditions of the Agreement. As at the date hereof, the negotiations are still in progress and further announcement will be made by the Company in compliance with the GEM Listing Rules should there be any significant progress in the negotiations.

The Board announces that on 22 February 2012 (after trading hours), the Company as purchaser entered into the conditional Agreement with the Guarantor and the Vendor in relation to the acquisition of the entire equity interests of the Target Company. The Agreement would constitute a major transaction on the part of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor (together with its ultimate beneficial owner(s)) and the Guarantor are Independent Third Parties.

The Target Company is a company incorporated in the British Virgin Islands with limited liabilities and is principally engaged in investment holdings. The Target Company is indirectly holding 20% equity interests of the PRC Company, which in turn is principally engaged in rare earth related business in the PRC.

After the entering into of the Agreement, the Company and the Vendor entered into further negotiations in respect of certain terms and conditions of the Agreement. As at the date hereof, the negotiations are still in progress and further announcement will be made by the Company in compliance with the GEM Listing Rules should there be any significant progress in the negotiations.

DEFINITIONS

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

“Agreement”	the conditional sale and purchase agreement dated 22 February 2012 and entered into among the Guarantor, the Vendor and the Company in relation to the acquire the entire issued share capital of the Target Company
“Board”	the board of Directors
“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
“Director(s)”	the director(s) of the Company
“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”	a PRC citizen and a substantial shareholder of the PRC Company who is an Independent Third Party
“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 GEM Listing Rules
“PRC”	The People’s Republic of China

“Proposed Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company by the Company
“PRC Company”	a company established in the PRC and the equity interest of which is indirectly held as to 20% by the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	New Crown Alliance Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Harvest Time Global Investments Limited, a company incorporated in the British Virgin Islands and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 22 March 2012

As of the date hereof, 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. Tsang Wai Wa.

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 enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the day of its publication and on the Company’s website at www.bio-cassava.com.

* *for identification purpose only*