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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)

TERMINATION OF THE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION AND RESUMPTION OF TRADING

As the parties to the Agreement cannot reach consensus in further negotiations in respect of the Agreement, after arm's length negotiations, the parties to the Agreement agreed to terminate the Agreement in relation to the Proposed Acquisition and had on 18 May 2012 entered into the Termination Agreement to terminate the Agreement with immediate effect.

At the request of the Company, trading in the shares and warrants of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 23 February 2012. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares and warrants with effect from 9:00 a.m. on 21 May 2012.

Reference is made to the announcements of the Company dated 22 March 2012 and 18 April 2012 (the “**Announcements**”) in relation to the Proposed Acquisition of the entire equity interest of the Target Company. Unless the context requires otherwise, capitalised terms used in this announcement shall bear the same meanings as defined in the Announcements.

TERMINATION OF THE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION

As the parties to the Agreement cannot reach consensus in further negotiations in respect of the Agreement, after arm's length negotiations, the parties to the Agreement agreed to terminate the Agreement in relation to the Proposed Acquisition and had on 18 May 2012 entered into the termination agreement (the “**Termination Agreement**”) to terminate the Agreement with immediate effect.

Pursuant to the Termination Agreement, the parties to the Agreement agreed to terminate the Agreement with immediate effect and release and discharge all obligations of both parties under

the Agreement and the parties to the Agreement further undertake that they will not take action against each other under the Agreement.

The Board considers that the termination of the Agreement is in the interests of the Company and the shareholders of the Company as a whole and has no material adverse impact on the existing business and/or the financial position of the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares and warrants of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 23 February 2012. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares and warrants with effect from 9:00 a.m. on 21 May 2012.

By order of the board of directors of
China Bio Cassava Holdings Limited
LEUNG LAP YAN
Chairman

Hong Kong, 18 May 2012

As of the date hereof, the executive directors are Mr. Kwan Kin Chung, Mr. Tam Kam Bui 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, 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 <http://www.hkgem.com> on the "latest company announcements" page for at least 7 days from the day of its posting and on the Company's website at www.bio-cassava.com.