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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)**

### **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every four (4) Shares of HK\$0.0025 each in the issued and unissued capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.01 each. As at the date of this announcement, there are 8,203,300,000 Shares of HK\$0.0025 each in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon completion of the Share Consolidation there will be 2,050,825,000 Consolidated Shares of HK\$0.01 each in issue which are fully paid or credited as fully paid.

It is proposed that following the Share Consolidation, the Consolidated Shares will continue to be traded in board lots of 20,000 Consolidated Shares. Based on the closing price of HK\$0.034 per Share as at the last trading day prior to the publication of this announcement, the value of each board lot of 20,000 Consolidated Shares would be HK\$2,720.

A circular containing, among other matters, further details of the Share Consolidation and a notice to convene the EGM will be despatched to the Shareholders in compliance with the GEM Listing Rules.

### **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every four (4) Shares of HK\$0.0025 each in the issued and unissued capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.01 each. As at the date of this announcement, there are 8,203,300,000 Shares of HK\$0.025 each in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon completion of the Share Consolidation there will be 2,050,825,000 Consolidated Shares of HK\$0.01 each in issue which are fully paid or credited as fully paid following the Share Consolidation. The authorised share capital of the Company will remain at HK\$500,000,000 but will be divided into 50,000,000,000 Consolidated Shares of HK\$0.01 each.

As at the date of this announcement, save for the Warrants entitling the holders thereof subscribe for 800,000,000 Shares (equivalent to 200,000,000 Consolidated Shares) and the Share Options granted under the share option scheme adopted by the Company entitling the holders thereof subscribe for 1,521,760,000 Shares (equivalent to 380,440,000 Consolidated Shares), there are no outstanding options, warrants or securities convertible or exchangeable into Shares.

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares. All necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. The Share Consolidation will be conducted in accordance with the provisions in the articles of association of the Company.

As at the date of this announcement, Shares are traded in board lots of 20,000 Shares. Following the Share Consolidation, it is proposed that the Consolidated Shares will continue to be traded in board lots of 20,000 Consolidated Shares.

Based on the closing price of HK\$0.034 per Share (equivalent to HK\$0.136 per Consolidated Share) as at the last trading day immediately before the date of this announcement, the value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,720.

## **STATUS OF THE CONSOLIDATED SHARES**

The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. Fractional Consolidated Shares will not be issued by the Company to Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company. Further details regarding the parallel trading arrangements (including the odd lots matching services, if any) will be set out in the circular containing the notice of EGM relating to the Share Consolidation. The Company will bear the costs relating to the matching of sale and purchase of odd lots of the Consolidated Shares.

## **REASONS FOR THE SHARE CONSOLIDATION**

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. As such, the transaction and handling costs of the Company in relation to the dealing in the Consolidated Shares are expected to be reduced, which will be beneficial to the Company. Moreover, as the market value of each board lot upon the Share Consolidation becoming effective will be higher than the market value of each existing board lot, the transaction cost as a proportion of the market value of each board lot will be lower. It is expected that the liquidity in trading of the Shares will increase accordingly and the market value of the Shares will more precisely reflect the intrinsic value of the Company. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and investors as a whole.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders

## **EXCHANGE OF CERTIFICATES FOR CONSOLIDATED SHARES**

Subject to the Share Consolidation becoming effective, which is currently expected to be 28 June 2012, being the business day immediately after the date of the EGM, Shareholders may on or after 28 June 2012 and until 4:00 p.m. on 6 August 2012 (both days inclusive), submit their existing share certificates in blue for the Shares to the Company's branch share registrar in Hong Kong, Union Registrars Limited at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for exchange for share certificates in orange for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar for exchange of share certificates.

With effect from 3 August 2012, trading will only be in Consolidated Shares which share certificates will be issued in orange. The Consolidated Shares are to be consolidated on the basis of four (4) existing Shares to one (1) Consolidated Share. Existing share certificates in blue for the Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

## **EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation is as follows:

Despatch of the circular regarding, among other matters, the Share Consolidation .....	Monday, 11 June 2012
Despatch and publication of the notice of EGM .....	Monday, 11 June 2012
Latest Time for lodging the form of proxy for the EGM .....	10:30 a.m. on Monday, 25 June 2012
EGM .....	10:30 a.m. on Wednesday, 27 June 2012
Effective date of the Share Consolidation .....	Thursday, 28 June 2012
Original counter for trading in shares in board lots of 20,000 Shares (in the form of existing share certificates in blue) temporarily closes .....	9:00 a.m. on Thursday, 28 June 2012
Temporary counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of existing share certificates in blue) opens .....	9:00 a.m. on Thursday, 28 June 2012
First day for free exchange of existing share certificates in blue for new share certificates in orange .....	Thursday, 28 June 2012

First day of operation of odd lot trading facility .....Friday, 13 July 2012

Original counter for trading in Consolidated Shares  
in board lots of 20,000 Consolidated Shares  
(in the form of new share certificates in orange)  
reopens ..... 9:00 a.m. on Friday, 13 July 2012

Parallel trading in Consolidated Shares commences ..... 9:00 a.m. on Friday, 13 July 2012

Temporary counter for trading in Consolidated  
Shares in board lots of 5,000 Consolidated Shares  
(in the form of existing share certificates in blue)  
closes ..... 4:00 p.m. on Thursday, 2 August 2012

Parallel trading ends ..... 4:00 p.m. on Thursday, 2 August 2012

Last day of operation of odd lot trading facility .....Thursday, 2 August 2012

Latest time for free exchange of share certificates .....Monday, 6 August 2012

## **ADJUSTMENTS IN RELATION TO THE WARRANTS AND THE SHARE OPTIONS**

The Share Consolidation will cause adjustments to the subscription price and the number of Consolidated Shares to be issued under the Warrants and the Share Options. As to the adjustments to the number of Consolidated Shares to be issued and the subscription price in respect of the Warrants and the Share Options, the Company will instruct its auditors to review and certify the basis of such adjustments as soon as possible. Further announcement will be made by the Company in respect of such adjustment upon receipt of corresponding certificates on the adjustments by the Company.

## **GENERAL**

A circular containing, among other matters, further details of the Share Consolidation and a notice to convene the EGM will be despatched to the Shareholders in compliance with the GEM Listing Rules. To the best of the Directors' knowledge, no Shareholders have a material interest in the Share Consolidation and are required to abstain from voting at the EGM.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	China Bio Cassava Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on GEM

“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company upon completion of the Share Consolidation
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“PRC”	the People’s Republic of China
“EGM”	the extraordinary general meeting of the Company to be held to consider the ordinary resolution to be proposed to approve the Share Consolidation
“Share Consolidation”	the proposed consolidation of every four (4) Shares of HK\$0.0025 each in the issued and unissued capital of the Company into one (1) Consolidated Share of HK\$0.01 each
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the capital of the Company or, as the context may require, the Consolidated Shares
“Shareholder(s)”	holder(s) of the Share(s) or as the context may require, the Consolidated Share(s) from time to time
“Share Options”	the share options granted under the share option scheme adopted by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	800,000,000 listed warrants (Stock Code: 8187) issued by the Company conferring rights to holder(s) thereof to subscribe in cash for Shares at an initial subscription price of HK\$0.059 per Share, subject to adjustment
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 30 May 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 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](http://www.bio-cassava.com).*