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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: ACQUISITION OF THE ENTIRE EQUITY INTERESTS OF A COMPANY

On 11 June 2013, the Vendors and the Purchaser entered into the Agreement pursuant to which the Purchaser has agreed to purchase and the Vendors have agreed to sell the Sale Shares for a total consideration of HK\$4,084,000 (subject to adjustments but in any event shall not exceed HK\$4,500,000).

As the relevant percentage ratios applicable to the Company exceed 5% but are less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules.

The Company is pleased to announce that on 11 June 2013, the Vendors and the Purchaser entered into the Agreement pursuant to which the Purchaser has agreed to purchase and the Vendors have agreed to sell the Sale Shares for a total consideration of HK\$4,084,000 (subject to adjustments but in any event shall not exceed HK\$4,500,000). A summary of the principal terms of the Agreement is set out below.

THE AGREEMENT

Date: 11 June 2013 (after trading hours)

Parties:

- (1) the Purchaser, a wholly owned subsidiary of the Company as purchaser
- (2) Li Kwong as the First Vendor
- (3) Jolly Fortune International Finance Limited as the Second Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and (if applicable) its ultimate beneficial owner(s) are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Vendor is a Hong Kong citizen and a merchant and the Second Vendor is a company incorporated in the British Virgin Islands and is principally engaged in finance and guarantee business.

The Purchaser is a company incorporated in the British Virgin Islands and is a wholly owned subsidiary of the Company.

Asset to be acquired

Pursuant to the Agreement, the Vendors have agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing 100% of the issued share capital of the Target Company, a company incorporated in Hong Kong and is principally engaged in money lending and financing business.

Consideration

The total Consideration of HK\$4,084,000 (subject to adjustments but in any event shall not exceed HK\$4,500,000) for the sale and purchase of the Sale Shares shall be settled by the Purchaser to the Vendors in cash upon Completion.

The Consideration was determined with reference to, among others the net asset value of the Target Company of approximately HK\$3,484,000 as at 31 March 2013 in accordance with its management accounts and the issued share capital of the Target Company of HK\$5,000,000. The Consideration shall be subject to adjustment to a sum equivalent to the net asset value of the Target Company as at the date of the Agreement plus a premium of HK\$600,000 but in any event shall not exceed HK\$4,500,000.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement. The Directors consider that the terms and conditions of the Proposed Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions

Completion shall be conditional upon:

- (a) the Purchaser being reasonably satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Company as it may reasonably consider appropriate;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser and the Company and (where applicable) the conditions, approvals, requirements and any other provisions of or under the GEM Listing Rules in respect of the Agreement and the transactions contemplated hereby having been obtained and remain in full force and effect;
- (c) the warranties given by the Vendors under the Agreement remaining true, accurate and complete in all respects; and
- (d) the Purchaser being satisfied that there has not been any material adverse change in respect of the Target Company since the date of the Agreement.

The Purchaser may waive conditions (a), (c) and (d) above. The other condition(s) are incapable of being waived. If the conditions have not been fulfilled (or waived by the Purchaser as the case may be) on or before the date falling one (1) month after the date of the Agreement, or such later date as the Vendors and the Purchaser may agree, the Agreement shall cease and terminate and neither party to the Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

As at the date of this announcement, the Purchaser has no intention to waive any conditions of the Agreement. Further announcement(s) will be made by the Company in the event that the Purchaser determines to waive any of the conditions.

Completion

Completion shall take place on the date falling on the third Business Day after the fulfilment (or waiver) of the conditions or such other date as may be agreed between the Vendors and the Purchaser.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of the Company and its results will be consolidated with the financial results of the Group in accordance with the relevant accounting standards.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in money lending and related business in Hong Kong. To the best of the Directors' knowledge, information and belief, the Target Company holds a valid money lender licence to carry out its business.

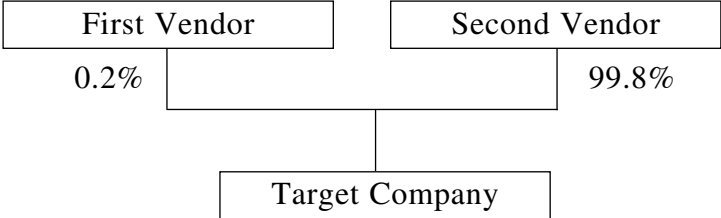
According to the unaudited financial statements of the Target Company for the year ended 31 March 2013, the net asset value of the Target Company was approximately HK\$3,484,000. The net loss (before and after taxation and extraordinary items) of the Target Company was approximately HK\$557,000.

According to the audited financial statements of the Target Company for the year ended 31 March 2012, the net loss (before and after taxation and extraordinary items) of the Target Company was approximately HK\$124,000.

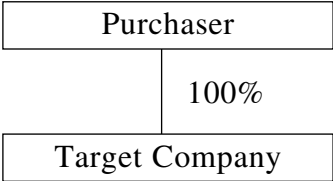
According to the unaudited financial statements of the Company for the year ended 31 March 2013, certain related entities of the Vendors owe the Target Company for a sum of approximately HK\$1,932,000. The Vendors undertake and guarantee that such sum together with interest accrued thereon will be fully recoverable by the Target Company on or before 31 December 2013. The Vendors further undertake and guarantee that all of the account receivables and interest receivables as at the date of the Agreement as shown in the management accounts shall be fully recoverable by the Company on or before 31 December 2013. As informed by the Vendors, as at the date of the Agreement the Vendors have arranged the related entities to repay the sum owed by the related entities to the Target Company.

Set out below is the shareholding structure of the Target Company (i) as at the date of this announcement; and (ii) immediately after Completion.

(1) As at the date of this announcement



(2) Immediately after Completion



REASONS FOR THE PROPOSED ACQUISITION

The Group is engaged in development of computer software and embedded systems, sales and licensing of the software and systems, and development of biotech and renewable energy.

The Directors have been actively seeking and identifying further investment and business opportunities in order to maximize the return of the Shareholders.

Since the financial tsunami in 2008, the global economy has undergone a continuous recovery over the past few years. The Directors believe that there will be potential in various areas of businesses and the need of personal financing will be required. In this regard, the Directors are of the view that there will be promising growth potential in the money lending business which the Target Company current carries out.

In view of the growing potential of the Target Company, the Directors (including the independent non-executive Directors) expect that the Proposed Acquisition will generate good return to the Group and the Board is of the view that the terms of the Proposed Acquisition are fair and reasonable and the Proposed Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios applicable to the Company exceed 5% but are all less than 25%, the Proposed Acquisition constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement dated 11 June 2012 and entered into among the Vendors and the Purchaser in relation to the sale and purchase of the Sale Shares
“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day other than a Saturday, Sunday or public holiday on which banks in Hong Kong are generally open for business throughout their normal business hours
“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 sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement
“Completion Date”	the date of Completion
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Consideration”	the consideration to be satisfied by the Purchaser to the Vendors for the sale and purchase of the Sale Shares, being HK\$4,084,000 in aggregate (subject to adjustments but in any events shall not exceed HK\$4,500,000)
“Director(s)”	the director(s) of the Company
“First Vendor”	Li Kwong, one of the shareholders of the Target Company and one of the Vendors
“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
“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 Sale Shares by the Purchaser subject to and upon the terms and conditions of the Agreement
“Purchaser”	Q9-Tech Energy Development Limited, a wholly owned subsidiary of the Company

“Sale Shares”	5,000,000 shares of HK\$1.00 each in the share capital of the Target Company, as to 10,000 shares of which is legally and beneficially owned by the First Vendor and as to the remaining 4,990,000 shares of which is legally and beneficially owned by the Second Vendor
“Second Vendor”	Jolly Fortune International Finance Limited, one of the shareholders of the Target Company and one of the Vendors
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Fortune Credit Limited, a company incorporated in Hong Kong with limited liability
“Vendors”	the First Vendor and the Second Vendor
“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, 11 June 2013

As of the date of this announcement, the Board of the Company comprises Mr. Kwan Kin Chung, Mr. Yu Huaguo, Mr. Tam Kam Biu William and Mr. Wan Xiaolin and as executive directors, Mr. Leung Lap Yan and Mr. Leung Lap Fu Warren as non-executive directors, Mr. Ip Chi Wai, Mr. Tse Wang Cheung Angus and Mr. Tsang Wai Wa as independent non-executive directors.

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.