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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: PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that:

- (i) on 23 September 2013, Fortune Credit, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the First Facility Letter pursuant to which Fortune Credit has agreed to grant the First Loan in the amount of HK\$300,000 to Company A for a term of twelve months from the First Loan Effective Date; and
- (ii) on 25 September 2013, Fortune Credit as lender and Customer A, the sole director and shareholder of Company A, as borrower entered into the Second Facility Letter pursuant to which Fortune Credit has agreed to grant the Second Loan in the amount of HK\$1,000,000 to Customer A for a term of twelve months from the Second Loan Effective Date.

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the aggregate amount of financial assistance granted to Customer A or its associates within the period of 12 months immediately preceding to the date of the Second Facility Letter exceeds 5% but none of them is 25% or above, the entering into of the Facility Letters constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

The Board is pleased to announce that (i) on 23 September 2013, Fortune Credit, an indirect wholly owned subsidiary of the Company, as lender and Company A as borrower entered into the First Facility Letter pursuant to which Fortune Credit has agreed to grant the First Loan in the amount of HK\$300,000 to Company A for a term of twelve months from the First Loan Effective Date; and (ii) on 25 September 2013, Fortune Credit as lender and Customer A as borrower entered into the Second Facility Letter pursuant to which Fortune Credit has agreed to grant the Second Loan in the amount of HK\$1,000,000 to Customer A for a term of twelve months from the Second Loan Effective Date. A summary of the principal terms of the Facility Letters is set out below.

THE FIRST FACILITY LETTER

Date: 23 September 2013

Parties: (1) Fortune Credit as lender

(2) Company A as borrower

Fortune Credit is a company incorporated in Hong Kong and is an indirect wholly owned subsidiary of the Company.

Company A is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Company A is an Independent Third Party.

Pursuant to the First Facility Letter, Fortune Credit has agreed to grant the First Loan in the amount of HK\$300,000 to Company A subject to and conditional upon the terms and conditions set out in the First Facility Letter.

Principal: HK\$300,000

Interest rate: 2.5% per month, i.e. 30% per annum

The expected total interest income under the First Facility Letter would amount to HK\$90,000

Term: Twelve (12) months commencing from the First Loan Effective Date

Security: A second mortgage in respect of industrial properties located in Hong Kong with valuations conducted by an independent property valuer on 9 September 2013 with an aggregate amount of approximately HK\$2,800,000

Repayment: Company A shall pay the interest accrued on the First Loan on a monthly basis and shall repay the principal amount of the First Loan together with any outstanding interest accrued thereon on the due date of the First Loan

Prepayment: Company A may at any time to repay the whole or part of the First Loan after the First Loan Effective Date subject to the strict compliance of the following conditions:

- (i) giving Fortune Credit not less than one calendar month's advance notice in writing; and
- (ii) such prepayment shall only be made after the expiration of three (3) calendar months from the First Loan Effective Date. Interest accrued on the First Loan for the first three (3) calendar months of the term of the First Loan shall be paid and charge in full even upon any early or partial prepayment of the First Loan within three months after the First Loan Effective Date.

Funding of the First Loan

The Group will finance the First Loan with its internal resources.

THE SECOND FACILITY LETTER

Date: 25 September 2013

Parties:

- (1) Fortune Credit as lender
- (3) Customer A as borrower

Customer A is an individual and is the sole director and shareholder of Company A. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Customer A is an Independent Third Party.

Pursuant to the Second Facility Letter, Fortune Credit has agreed to grant the Second Loan in the amount of HK\$1,000,000 to Customer A subject to and conditional upon the terms and conditions set out in the Second Facility Letter.

Principal: HK\$1,000,000

- Interest rate:** 2.2% per month, i.e. 26.4% per annum
- The expected total interest income under the Second Facility Letter would amount to HK\$264,000
- Term:** Twelve (12) months commencing from the Second Loan Effective Date
- Security:** A second mortgage in respect of properties located in Hong Kong with valuations conducted by an independent property valuer on 18 September 2013 with an aggregate amount of approximately HK\$4,000,000
- Repayment:** Customer A shall pay the interest accrued on the Second Loan on a monthly basis and shall repay the principal amount of the Second Loan together with any outstanding interest accrued thereon on the due date of the Second Loan
- Prepayment:** Customer A may at any time to repay the whole or part of the Second Loan after the Second Loan Effective Date subject to the strict compliance of the following conditions:
- (i) giving Fortune Credit not less than one calendar month's advance notice in writing; and
 - (ii) such prepayment shall only be made after the expiration of three (3) calendar months from the Second Loan Effective Date. Interest accrued on the Second Loan for the first three (3) calendar months of the term of the Second Loan shall be paid and charge in full even upon any early or partial prepayment of the Second Loan within three months after the Second Loan Effective Date.

Funding of the Second Loan

The Group will finance the Second Loan with its internal resources.

INFORMATION ON THE GROUP AND FORTUNE CREDIT

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

Fortune Credit is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. Fortune Credit is principally engaged in money lending and related business in Hong Kong. To the best of the Directors' knowledge, information and belief, Fortune Credit holds a valid Money Lenders Licence under the provisions of the Money Lenders Ordinance to carry out its business.

REASONS FOR THE FACILITY LETTERS

The grant of the First Loan to Company A and the Second Loan to Customer A are in the ordinary and usual course of business of the Group on normal commercial terms within the meaning of the GEM Listing Rules.

The terms of the Facility Letters are negotiated on an arm's length basis between Fortune Credit and the Borrowers with regarding to, among others, the financial background and repayment record of the Borrowers. The terms of the Facility Letters are entered into on a normal commercial terms based on the credit policy of Fortune Credit. The terms of the Loans including the interest rate charged on Company A and Customer A are determined with reference to the range of market interest rate.

The Directors consider that the granting of the Loans constitutes provision of financial assistance by the Group under the GEM Listing Rules. Taking into account of the cashflow stream from the expected interest income, the Directors consider that the entering into of the Facility Letters and the terms and conditions of the Facility Letters (including the interest rate and principal amount) are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the aggregate amount of financial assistance granted to Customer A or its associates within the period of 12 months immediately preceding to the date of the Second Facility Letter exceeds 5% but none of them is 25% or above, the entering into of the Facility Letters constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements 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:

- “associates” has the meaning ascribed to it under the GEM Listing Rules
- “Board” the board of Directors
- “Borrowers” Company A and Customer A

“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
“Company A”	a company incorporated in Hong Kong with limited liability, the borrower under the First Facility Letter and an Independent Third Party
“Customer A”	the borrower under the Second Facility Letter, the sole director and shareholder of Company A and an Independent Third Party
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Facility Letters”	the First Facility Letter and the Second Facility Letter
“First Facility Letter”	the facility letter dated 23 September 2013 and entered into between Fortune Credit as lender and Company A as borrower in respect of the First Loan
“First Loan”	the secured loan in the principal amount of HK\$300,000 to be granted by Fortune Credit to Company A under the First Facility Letter
“First Loan Effective Date”	the effective date of the First Facility Letter
“Fortune Credit”	Fortune Credit Limited, a company incorporated in Hong Kong with limited liability and the lender under the Facility Letter
“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 People’s Republic of China

“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 party(ies) independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Loans”	the First Loan and the Second Loan
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Second Facility Letter”	the facility letter dated 25 September 2013 and entered into between Fortune Credit as lender and Customer A as borrower in respect of the Second Loan
“Second Loan”	the secured loan in the principal amount of HK\$1,000,000 to be granted by Fortune Credit to Customer A under the Second Facility Letter
“Second Loan Effective Date”	the effective date of the Second Facility Letter
“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
“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, 25 September 2013

As of the date hereof, the executive Directors are Mr. Kwan Kin Chung, Mr. Yu Huaguo, Mr. Tam Kam Biu William, Mr. Poon Yu Keung and Mr. Hung Ching Fung, the non-executive Directors are Mr. Leung Lap Yan and Mr. Leung Lap Fu Warren, and the independent non-executive Directors are Mr. Ip Chi Wai, Mr. Tse Wang Cheung Angus, Mr. Tsang Wai Wa and Mr. Chow Wing Tung.

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 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.