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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

On 28 January 2014, Fortune Credit, an indirect wholly owned subsidiary of the Company, as lender and Customer A as borrower entered into the Facility Letter pursuant to which Fortune Credit has agreed to grant the Loan in the amount of HK\$1,000,000 to Customer A for a term of twelve months from the Effective Date.

As the relevant percentage ratios exceed 5% but are less than 25%, the entering into of the Facility Letter constitutes a discloseable transaction for the Company under the GEM Listing Rules.

On 28 January 2014, Fortune Credit, an indirect wholly owned subsidiary of the Company, as lender and Customer A as borrower entered into the Facility Letter pursuant to which Fortune Credit has agreed to grant the Loan in the amount of HK\$1,000,000 to Customer A for a term of twelve months from the Effective Date. A summary of the principal terms of the Facility Letter is set out below.

THE FACILITY LETTER

Date: 28 January 2014

Parties: (1) Fortune Credit as lender
(2) Customer A as borrower

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

Customer 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 Facility Letter, Fortune Credit has agreed to grant the 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 Facility Letter.

Principal: HK\$1,000,000

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

The expected total interest income under the Facility Letter would amount to HK\$300,000.

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

Security: A second mortgage in respect of properties located in Hong Kong with valuations conducted by an independent property valuer on 22 January 2014 with an aggregate amount of approximately HK\$3,300,000.

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

Prepayment: Customer A may at any time to repay the whole or part of the Loan after the 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 Effective Date. Interest accrued on the Loan for the first three (3) calendar months of the term of the Loan shall be paid and charge in full even upon any early or partial prepayment of the Loan within three months after the Effective Date.

Funding of the Loan

The Group will finance the 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 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 (Cap. 163, the laws of Hong Kong) to carry out its business.

REASONS FOR THE FACILITY LETTER

The grant of the Loan to Customer A is 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 Letter is negotiated on an arm's length basis between Fortune Credit and Customer A with regarding to, among others, the financial background and repayment record of Customer A and the values of the properties under second mortgage. The terms of the Facility Letter are entered into on a normal commercial terms based on the credit policy of Fortune Credit. The terms of the Loan including the interest rate charged on Customer A is determined with reference to the range of market interest rate.

The Directors consider that the granting of the Loan 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 Letter and the terms and conditions of the Facility Letter (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 the relevant percentage ratios applicable to the Company exceed 5% but are all less than 25%, the entering into of the Facility Letter 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:

“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
“connected person”	has the meaning ascribed to it in the GEM Listing Rules
“Customer A”	the borrower under the Facility Letter and Independent Third Parties
“Director(s)”	the director(s) of the Company
“Effective Date”	the effective date of the Facility Letter
“Facility Letter”	the facility letter dated 28 January 2014 and entered into between Fortune Credit as lender and Customer A as borrower in respect of the Loan
“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
“Loan”	the secured loan in the principal amount of HK\$1,000,000 to be granted by Fortune Credit to Customer A under the 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, 28 January 2014

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 Director is Mr. Leung Lap Yan, and the independent non-executive Directors are 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.