

This announcement, for which the directors of the issuer 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 issuer. 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 document misleading.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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 IN RELATION TO THE ACQUISITION OF 30% OF THE ISSUED SHARE CAPITAL IN MASTER ACE GROUP CORPORATION INVOLVING THE ISSUE OF PROMISSORY NOTE AND ACCEPTANCE OF PUT OPTION

THE ACQUISITION AND THE ISSUE OF PROMISSORY NOTE

The Vendor and the Company entered into the Agreement on 11 April 2017 (after trading hours) pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Sale Shares, representing 30% of the issued share capital in the Target Company for the Consideration, which will be satisfied by the issue of the Promissory Note at Completion.

THE PROMISSORY NOTE

Upon Completion, the Company will issue the Promissory Note with principal sum of HK\$7,500,000 to the Vendor in settlement of the Consideration.

IMPLICATIONS OF THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Acquisition and acceptance of Put Option exceeds 5% but less than 25%, the Acquisition and acceptance of Put Option constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules but does not require Shareholders' approval.

As the Acquisition is subject to certain conditions precedent under the Agreement, it may or may not become unconditional or be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 11 April 2017 (after trading hours), the Vendor and the Company entered into the Agreement, pursuant to which the Company has conditionally agreed to buy and the Vendor has conditionally agreed to sell the Sale Shares for the Consideration, which will be settled by the Company by the issue of the Promissory Note in favour of the Vendor.

THE AGREEMENT

Principal terms of the Sale and Purchase Agreement

Date : 11 April 2017

Parties : (1) the Company as purchaser;
(2) the Vendor as vendor.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and the Company has conditionally agreed to buy the Sale Shares, representing 30% of the issued share capital of the Target Company.

Consideration

Pursuant to the Agreement, the Consideration shall be satisfied by the Company issuing the Promissory Note in favour of the Vendor at Completion. The principal sum of HK\$7,500,000 of the Promissory Note, which does not carry any interest, is payable upon demand by its holder after approval is granted by the SFC as to the Company's acquisition of the Sale Shares from the Vendor.

Basis of the Consideration

The Consideration was arrived at based on normal commercial terms and after arm's length negotiations between the Company and the Vendor with reference to the Target Group's net asset value as at Management Accounts Date plus an agreed premium. Based on the factors mentioned above, the Consideration payable by the Company is considered by the Board as fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

It shall be the Conditions Precedent of Completion that prior thereto:

- (a) there having been no material adverse change, or any development likely to involve a prospective material adverse change, in the condition (financial, operational or otherwise) or in the earnings, business affairs or business prospects, assets or liabilities of any member of the Target Group, whether or not arising in the ordinary course of business since the date of the Agreement;
- (b) the Company having conducted due diligence exercise (legal and financial) on the Target Group and satisfied with the results thereof; and
- (c) all necessary consents, approvals, permits and/or authorisations in respect of the transactions contemplated under the Agreement having been obtained.

The Company and the Vendor undertook to use their best endeavours to ensure that the Conditions Precedent are fulfilled as early as practicable and in any event not later than the Long Stop Date. The Parties further undertook to provide all reasonable assistance to each other to fulfil the Conditions Precedent.

If the Conditions Precedent have not been fulfilled or waived (as the case may be) on or before the Long Stop Date, the Agreement shall lapse and become null and void and the Parties shall be released from all obligations hereunder, save for liabilities for any antecedent breaches hereof.

Completion

Completion of the Agreement is conditional upon and subject to fulfilment or waiver (as the case may be) of all the Conditions Precedent and shall take place within five business days after the Conditions Precedent are fulfilled (or such other day as the Company and the Vendor may agree in writing).

Upon Completion, the Target Company will become an associate of the Company and the investment of the Group in the Target Company will be classified as investment in associated corporation in accordance with the relevant accounting standards.

THE PROMISSORY NOTE

The Consideration under the Agreement shall be satisfied by the issue of the Promissory Note by the Company to the Vendor or its nominee on Completion.

The principal terms of the Promissory Note are as follows:

(1) Principal sum

HK\$7,500,000.

(2) Maturity date

The principal sum of HK\$7,500,000 of the Promissory Note, which does not carry any interest, is payable upon demand by its holder after approval is granted by the SFC as to the Company's acquisition of the Sale Shares from the Vendor.

(3) Application for listing

No application will be made for the listing of the Promissory Note on any stock exchange.

PUT OPTION

The Company is granted the Put Option for no additional consideration, in which the Company has the discretion to require the Vendor to repurchase the Put Option Shares upon the occurrence of any of the following events:-

- (a) the approval as to the Company's acquisition of the Sale Shares to become a substantial shareholder of the Target Company is not granted by the SFC within 120 days after the Completion; or
- (b) a default is committed by the Vendor under the Agreement.

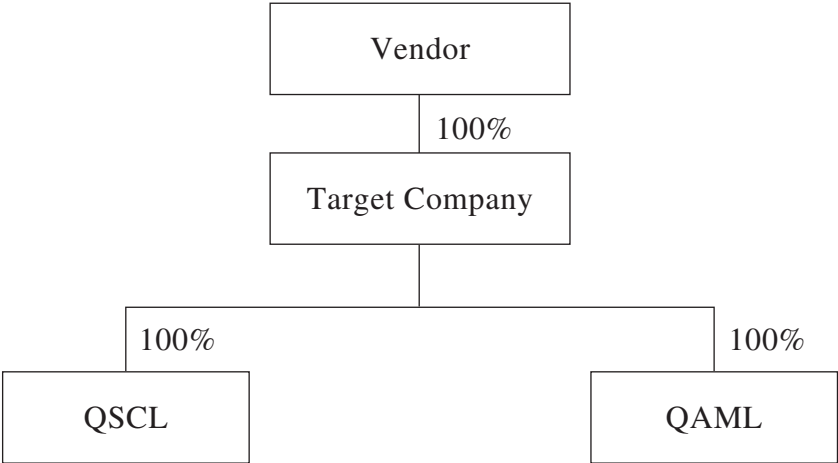
Upon the exercise of the Put Option by the Company and on the Put Option Completion Date,

- (a) the Company shall deliver the instrument of transfer, sold note, and the related share certificate in respect of the Put Option Shares; and
- (b) the Vendor shall surrender the Promissory Note to the Company as payment of the Put Option Consideration.

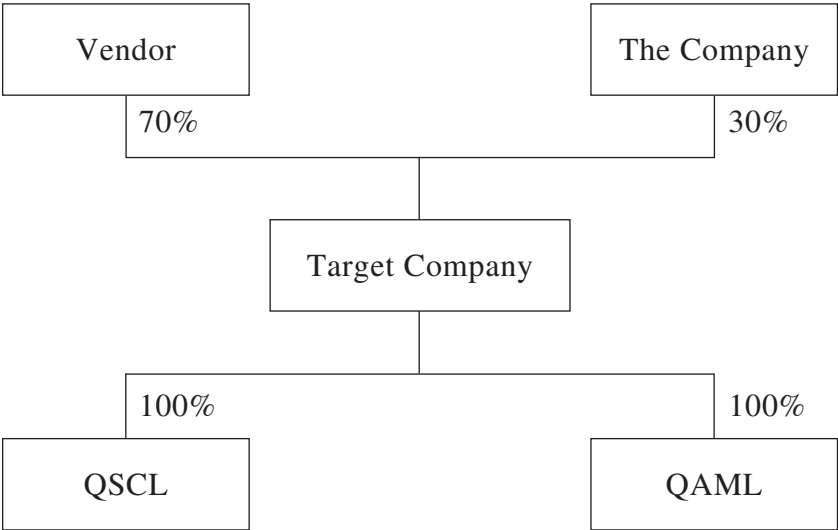
INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the BVI. As at the date of this announcement, the Target Company has 50,000 shares of US\$1.00 each in issue, all of which are owned by the Vendor.

The corporate structure of the Target Company before the Completion is:



Upon Completion, the Company will become the ultimate holder of 30% issued share capital in the Target Company. The corporate structure of the Target Company upon Completion is:



The Target Company is an investment holding company and its major assets are investments in QSCL and QAML.

QSCL

QSCL is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Target Company.

QSCL is a licensed corporation to carry out type 1 (dealing in securities) regulated activities under the SFO.

QAML

QAML is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Target Company.

QAML is a licensed corporation to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the financial information of the Target Group extracted from its Management Accounts:

	For the two months ended 28 February 2017 HK\$
Loss before taxation/Loss for the period	472,000
	As at 28 February 2017 HK\$
Net assets value	5,726,000

INFORMATION OF THE VENDOR

The Vendor is the founder of the Target Company. As at the date of this announcement, the Target Company has 50,000 shares of US\$1.00 each in issue, all of which are owned by the Vendor.

The Vendor is a merchant and is an Independent Third Party. The Vendor has nine years of experience in the securities and asset management industry. Other than her involvement in the Target Group, the Vendor is not engaged in any other business which is involved in the type 1 (dealing in securities), type 4 (advising on securities) or type 9 (asset management) regulated activities under the SFO.

REASONS FOR THE ACQUISITION

The current business of the Group includes the provision of financing services (with property mortgage financing services as focused area for several years) and sales and licensing of software and embedded systems.

The reasons for the Acquisition are to diversify the Group’s current business by providing securities and asset management related services so as to reduce the Group’s exposure to risks and uncertainties associated with our current business.

The Company currently intends to continue its existing businesses and there is no agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about any disposal, termination or scaling down of the Company’s existing businesses or assets up to the date of this announcement.

The Board considers that the Acquisition, if materialised, will enable the Company to diversify its business into the financial services industry and broaden revenue sources of the Group.

The Directors consider that the terms of the Agreement have been entered into on normal commercial terms, and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned, and is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS OF THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in relation to the Acquisition and the acceptance of Put Option exceeds 5% but less than 25%, the Acquisition and the acceptance of Put Option constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules but does not require Shareholders’ approval.

DEFINITIONS

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

- “Acquisition” the acquisition of the Sale Shares by the Company from the Vendor under the Agreement;
- “Agreement” the sale and purchase agreement entered into between the Company and the Vendor on 11 April 2017;
- “associate(s)” the meaning ascribed thereto in the GEM Listing Rules;
- “Board” the board of Directors;

“business day”	a day (other than Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks are generally open in Hong Kong for general banking business throughout their normal business hours;
“BVI”	British Virgin Islands;
“Company”	China Bio Cassava Holdings Limited (stock code: 8129), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM;
“Completion”	completion of the Agreement;
“Conditions Precedent”	the conditions precedent to the Completion;
“Consideration”	the consideration of HK\$7,500,000 payable by the Company to the Vendor for the purchase of the Sale Shares in accordance with the Agreement;
“Director(s)”	director(s) of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Parties”	persons or companies which are independent of and not connected with any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries and their respective associates, and the term “Independent Third Party” shall be construed accordingly;

“Long Stop Date”	the date falling on 30 September 2017, or such later date as the Vendor and the Company may agree;
“Management Accounts”	the unaudited consolidated management accounts of the Target Group up to the Management Accounts Date and the balance sheet as at the Management Accounts Date;
“Management Accounts Date”	28 February 2017;
“PRC”	the People’s Republic of China, which for the purposes of this Agreement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan;
“Promissory Note”	the promissory note to be issued by the Company pursuant to the Agreement in favour of the Vendor in the principal sum of HK\$7,500,000;
“Put Option”	the put option to be granted by the Vendor to the Company pursuant to the Agreement;
“Put Option Completion Date”	the date determined by the Company to complete the sale and purchase of the Put Option Shares;
“Put Option Consideration”	HK\$7,500,000;
“Put Option Shares”	the Sale Shares to be acquired by the Company as contemplated under the Agreement;
“QAML”	Quasar Asset Management Limited (駿昇資產管理有限公司), a company incorporated in Hong Kong with limited liability whose entire issued share capital is owned by the Target Company;
“QSCL”	Quasar Securities Co., Limited (駿昇証券有限公司), a company incorporated in Hong Kong with limited liability whose entire issued share capital is owned by the Target Company;
“Sale Shares”	15,000 ordinary shares of US\$1.00 each in the Target Company, representing 30% issued and paid up share capital of the Target Company;
“SFC”	the Securities and Futures Commission of Hong Kong;

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the issued Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Master Ace Group Corporation, a company incorporated in the BVI with limited liability whose entire issued share capital is owned by the Vendor;
“Target Group”	the Target Company, QSCL, and QAML;
“Vendor”	Ms. Cheng Pui Ling (鄭佩玲), a Hong Kong resident; and
“%”	per cent.

By order of the Board
China Bio Cassava Holdings Limited
KWAN KIN CHUNG
Executive Director

Hong Kong, 11 April 2017

As at the date of this announcement, the Board comprises Mr. Kwan Kin Chung, Mr. Poon Yu Keung, Mr. Hung Ching Fung, Mr. Tang Lap Chin Richard and Mr. Ng Chung Yuen Frank as executive Directors, Mr. Leung Lap Yan as non-executive Director; and Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Ms. Luk Huen Ling Claire as independent non-executive Directors.

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.