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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 4 September 2017, the Loan Agreement was entered into between Fortune Credit, an indirect wholly owned subsidiary of the Company as lender, and Customer A as borrower and a personal guarantee provided by Guarantor B. Pursuant to the Loan Agreement, Fortune Credit has agreed to grant the Loan in the principal amount of HK\$5,000,000 to Customer A for a term of twelve months from the Effective Date.

As the applicable percentage ratios under the GEM Listing Rules exceed 5% but are less than 25%, the entering into of the Loan Agreement 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.

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THE LOAN AGREEMENT

Date: 4 September 2017

Parties:

- (1) Fortune Credit as lender
- (2) Customer A as borrower
- (3) Guarantor B as guarantor

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

Customer A is an individual. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Customer A is an Independent Third Party and is with proper occupation.

A personal guarantee provided by Guarantor B, a brother of Customer A, to secure the obligation of Customer A under the Loan Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guarantor B is an Independent Third Party and is with proper occupation.

Pursuant to the Loan Agreement, Fortune Credit has agreed to grant the Loan in the principal amount of HK\$5,000,000 to Customer A subject to and conditional upon the terms and conditions set out in the Loan Agreement.

Fortune Credit has assessed backgrounds of Customer A and Guarantor B and reviewed certain asset records in accordance with the credit policy of Fortune Credit. Save for the Loan Agreement, there is no other business relationship between the Group, Customer A and Guarantor B. To the best of the Directors' knowledge and information, the Directors are not aware of any default by Customer A in the past.

Principal: HK\$5,000,000

Interest rate: 1.67% per month, i.e. 20% per annum

The expected total interest income would be HK\$1,000,000

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

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

Purpose: For personal use

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 the computer software and embedded systems development, sales and licensing of the software and systems, provision of financing services and the provision of financial public relations services.

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 Lender Licence under the provisions of the Money Lenders Ordinance (Cap. 163, the laws of Hong Kong) to carry out its business.

REASONS FOR THE LOAN AGREEMENT

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 Loan Agreement are negotiated on an arm's length basis between Fortune Credit and Customer A with regarding to, among others, the financial backgrounds of Customer A and Guarantor B. The terms of the Loan Agreement 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 are 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 Loan Agreement and the terms and conditions of the Loan Agreement (including the interest rate and principal amount) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the GEM Listing Rules exceed 5% but are less than 25%, the entering into of the Loan Agreement 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:

“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 Loan Agreement and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Effective Date”	the effective date of the Loan Agreement
“Fortune Credit”	Fortune Credit Limited, a company incorporated in Hong Kong with limited liability and the lender under the Loan Agreement
“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

“Guarantor B”	a guarantor being an individual who is a brother of Customer A and an Independent Third Party
“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 parties independent of the Company and its connected persons of the Company in accordance with the GEM Listing Rules
“Loan”	the unsecured loan in the principal amount of HK\$5,000,000 to be granted by Fortune Credit to Customer A under the Loan Agreement
“Loan Agreement”	the loan agreement dated 4 September 2017 and entered into between Fortune Credit as lender and Customer A as borrower in respect of the Loan
“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
TANG LAP CHIN RICHARD
Executive Director

Hong Kong, 4 September 2017

As at the date of this announcement, the Board comprises Mr. Poon Yu Keung, Mr. Hung Ching Fung, Mr. Tang Lap Chin Richard and Mr. Ng Chung Yuen Frank as executive Directors, Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Mr. Yam Chiu Fan Joseph 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 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.