

*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.*



**ASIA CASSAVA RESOURCES HOLDINGS LIMITED**

**亞洲木薯資源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 841 )**

**VOLUNTARY ANNOUNCEMENT  
ESTABLISHMENT OF A JOINT VENTURE COMPANY**

This announcement was made by Asia Cassava Resources Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to provide the shareholders of the Company and its potential investors an update on the latest business developments of the Group.

**ESTABLISHMENT OF JOINT VENTURE COMPANY**

The board of directors (the “**Board**”) of the Company is pleased to announce that the Group is going to establish a joint venture company (the “**JV company**”), a limited liability company established under the laws of Laos, and its principal activities are production and sales of tapioca starch (the “**JV Business**”).

Pursuant to the terms of the relevant agreement (the “**Agreement**”), the JV company's registered capital will be US\$10,000,000 (equivalent to approximately HK\$78,000,000). The Group agreed to contribute (by stages) in the form of cash of US\$5,000,000 (equivalent to approximately HK\$39,000,000) to subscribe the 51% equity interest in the JV Company and Ms. Moui Vannavong (“**Ms. Vannavong**”, another party to the Agreement) agreed to subscribe 49% equity interest in the JV Company with contribution of the land and equipment (which are valued at US\$5,000,000 approximately). The financial position and performance of the JV Company will be included in the Company's consolidated financial statements accordingly.

The amount of capital contribution was determined after arm’s length negotiations between the parties to the Agreement, having taken into account the estimated initial working capital required for the capital expenditure and the operation of the JV Company. The Group intends to finance its capital contribution in the JV Company from its internal resources.

Pursuant to the terms of the Agreement, the board of directors of the JV Company consists of 5 directors, in which (i) 3 directors to be nominated by the Group and (ii) the remaining 2 directors to be nominated by Ms. Vannavong.

## **INFORMATION ON THE PARTIES TO THE AGREEMENT**

The Group was principally engaged in procurement of dried cassava chips in Southeast Asian countries, including Thailand, Cambodia, Laos and Vietnam, and sales of dried cassava chips, to customers in the People's Republic of China (the "PRC"). The Group is continued to be the largest procurer and exporter of dried cassava chips in Thailand and the largest supplier of imported dried cassava chips in the PRC with an all-round integrated business model covering procurement, processing, warehousing, logistics and sale of cassava chips.

Ms. Vannavong currently engages in procurement of dried cassava chips in Laos and her business is one of the suppliers of the Group in Laos.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Ms. Vannavong and its associates are third parties independent of the Company and its connected persons save as disclosed above.

## **REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JV COMPANY**

The Group was principally engaged in procurement of dried cassava chips in Southeast Asian countries, including Thailand, Cambodia and Vietnam, and sales of dried cassava chips, to customers in the PRC. The Group is continued to be the largest procurer and exporter of dried cassava chips in Thailand and the largest supplier of imported dried cassava chips in the PRC with an all-round integrated business model covering procurement, processing, warehousing, logistics and sale of cassava chips.

The Company is committed to making appropriate business and investment decisions as and when appropriate in light of the Group's business plan and the market conditions to create greater value to the Company and its Shareholders. The Board believes that, as the operating scale of the Group's procurement network in Laos is expanding continuously, its economic efficiency is improving. It also enables to secure the stable supply of dried cassava chips to the JV Company as raw materials for the production of tapioca starch. In addition, the establishment of the JV Company in Laos will help extend the Group's existing dried cassava chips business to the downstream business of producing tapioca starch. It will enlarge export markets so as to gradually alleviate the Group's reliance on the Chinese market or the adverse effects of the economic downturn in mainland China exerted on the Group's business. The Group aims to promote its market coverage and industrial diversification development in order to maximise the return to Shareholders and in the interest of the Company and its Shareholders as a whole.

Taking the above into consideration, the Group recognizes that the establishment of a JV Company is complement to the Group's business strategies to facilitate the Group's further development in the industry. In addition, the terms of the Agreement were negotiated after arm's length basis and on normal commercial terms. The Directors are of the view that the terms of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The JV Company is a single purpose entity formed for the JV Business. The Agreement were entered into on an arm's length basis and on normal commercial terms, and the Agreement also contains clauses required under Rule 14.04(1)(f)(iii) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Accordingly, the entering into of the Agreement does not constitute a notifiable transaction of the Company under the Listing Rules and is therefore exempt from the reporting and announcement requirements under Chapter 14 of the Listing Rules.

By order of the Board  
**Chu Ming Chuan**  
*Chairman*

Hong Kong, 17 June 2024

As at the date of this announcement, the executive directors of the Company are Mr. Chu Ming Chuan, Ms. Liu Yuk Ming and Ms. Lam Ching Fun; the independent non-executive directors of the Company are Mr. Chui Chi Yun Robert, Mr. Hong Sijie and Ms. Amporn Lohathanulert.