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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)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Insider Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”).

The board of directors (the “Board”) of Asia Cassava Resources Holdings Limited (the “Company”) is pleased to inform the shareholders and potential investors of the Company that after a preliminary review of the unaudited management accounts of the Company and its subsidiaries (collectively the “Group”) made up to 30 September 2014, the unaudited profit of the Group for the six months ended 30 September 2014 (the “Period”) was satisfactorily increased as compared with the corresponding period in 2013. Decrease in unit cost of dried cassava chips and increase in gross profit margin were resulted from the continuing increase in demand of dried cassava chips from the Group’s customers (particularly those engaged in production of ethanol fuel) during the Period and the effect of economy of scales in relation to the expansion in operation of the Group’s procurement networks for dried cassava chips in Thailand, Vietnam and Cambodia established in recent years, together with the Group’s other existing procurement networks in Thailand. Moreover, with the Group’s improved working capital, the Group reduced draw-down of bank borrowings to procure the dried cassava chips during the Period which decreased the finance costs for the Period as compared with the corresponding period in 2013.

In addition, the Group has completely fulfilled the arrangement entered into with the independent third party in respect of the procurement of dried cassava chips from the Thai Government’s warehouses (the “Arrangement”) during the Period. Despite the increase in quantity of dried cassava chips procured by the Group’s self-operated procurement networks during the Period, the Group’s total export volume and revenue for the Period were still decreased as compared with the corresponding period in 2013. The Group believe that establishment of additional procurement networks of dried cassava chips, together with its existing procurement networks in Thailand, Vietnam and Cambodia, will help to alleviate the negative effect of the completion of the Arrangement.

The information in this announcement is estimates based on the Board's preliminary assessment of the unaudited management accounts of the Group and operating data, and such information has not been audited by the Company's independent auditors. Unaudited financial information of the Group for the Period will be disclosed in the interim results announcement in due course.

Shareholders and potential investors of the Company should exercise caution when dealing with the shares of the Company.

By Order of the Board
Asia Cassava Resources Holdings Limited
Chu Ming Chuan
Chairman

Hong Kong, 13 October 2014

As at the date of this announcement, the Company's Executive Directors are Mr. Chu Ming Chuan, Ms. Liu Yuk Ming and Ms. Lam Ching Fun and the Company's Independent non-executive Directors are Professor Fung Kwok Pui, Mr. Lee Kwan Hung and Mr. Yue Man Yiu Matthew.