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## **CHINA STARCH HOLDINGS LIMITED**

**中國澱粉控股有限公司**

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

**(Stock Code: 3838)**

### **DISCLOSEABLE TRANSACTION: SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

On 9 March 2018, Golden Corn entered into the Wealth Management Agreement I with CMB, pursuant to which Golden Corn agreed to subscribe for wealth management product of RMB50 million from CMB using its own fund. The Wealth Management Agreement I does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the time of its signing.

The Board is pleased to announce that, on 12 July 2018, Golden Corn entered into the Wealth Management Agreement II with CMB, pursuant to which Golden Corn agreed to subscribe for wealth management product of RMB150 million from CMB using its own fund.

Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the Wealth Management Agreement II should be aggregated with the Wealth Management Agreement I. As more than one of the applicable percentage ratios (after aggregation) exceeds 5% but less than 25%, the transaction contemplated under the Wealth Management Agreement II constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

On 9 March 2018, Golden Corn entered into the Wealth Management Agreement I with CMB, pursuant to which Golden Corn agreed to subscribe for wealth management product of RMB50 million from CMB using its own fund. The Wealth Management Agreement I does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the time of its signing.

The Board is pleased to announce that, on 12 July 2018, Golden Corn entered into the Wealth Management Agreement II with CMB, pursuant to which Golden Corn agreed to subscribe for wealth management product of RMB150 million from CMB using its own fund.

## THE WEALTH MANAGEMENT AGREEMENT I

A summary of the principal terms of the Wealth Management Agreement I is set out as follows:

Date of the agreement: 9 March 2018

Parties: (i) Golden Corn; and  
(ii) CMB.

Name of the wealth management product: CMB Three months Gold-linked Straddling Structured Deposit\* (招商銀行掛鈎黃金兩層區間三個月結構性存款) (Code: H0001591)

Subscription amount: RMB50 million

Term: 90 days (from 9 March 2018 to 7 June 2018)

Expected annualised rate of return: The rate of return comprises of (i) a guaranteed fixed interest rate of 1.35% and (ii) a floating interest rate, either 2.65% or 0%. If the gold price per ounce provided by the London Bullion Market Association is within the agreed range between CMB and Golden Corn on the specific date, the floating interest rate will be 2.65%. Otherwise, the floating interest rate will be 0%.

Therefore, the expected aggregated annualised rate of return will be either 4% or 1.35%.

Actual interest rate received upon maturity:	4.00%
Actual repayment date from CMB:	7 June 2018
Right of early termination:	Both Golden Corn and CMB do not have the right of early termination.

## **THE WEALTH MANAGEMENT AGREEMENT II**

Date of the agreement:	12 July 2018
Parties:	(i) Golden Corn; and  (ii) CMB.
Name of the wealth management product:	CMB Three months Gold-linked Straddling Structured Deposit* (招商銀行掛鈎黃金兩層區間三個月結構性存款) (Code: CQD00120)
Subscription amount:	RMB150 million
Term:	94 days (from 13 July 2018 to 15 October 2018)
Expected annualised rate of return:	The rate of return comprises of (i) a guaranteed fixed interest rate of 1.35% and (ii) a floating interest rate, either 2.57% or 0%. If the gold price per ounce provided by the London Bullion Market Association is within the agreed range between CMB and Golden Corn on the specific date, the floating interest rate will be 2.57%. Otherwise, the floating interest rate will be 0%.  Therefore, the expected aggregated annualised rate of return will be either 3.92% or 1.35%.
Right of early termination:	Both Golden Corn and CMB do not have the right of early termination.

## **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION FOR THE WEALTH MANAGEMENT PRODUCTS**

The subscription of the wealth management products allowed the Company to use its idle fund and enhance the overall capital gain of the Company. Upon the maturity of the wealth management products, Golden Corn will receive the principal for the subscription of the wealth management products in full, a guaranteed interest at a fixed annualised rate, and an additional interest at a floating rate depending on whether the gold price per ounce as published by the London Bullion Market Association falls within the agreed range between CMB and Golden Corn on the specific date. In addition, the Company has an opportunity to get a higher return compared with general fixed deposits in commercial banks in the PRC or Hong Kong.

The Directors (including the independent non-executive Directors) consider that the terms of the Wealth Management Agreement I and the Wealth Management Agreement II are on normal commercial terms, fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## **INFORMATION OF THE GROUP**

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of cornstarch, lysine, starch-based sweetener, modified starch and ancillary corn-based and corn-refined products.

## **INFORMATION OF CMB**

CMB is a joint stock company incorporated in the PRC with limited liability and the shares of which is listed on the Stock Exchange (Stock code: 3968). It is principally engaged in the provision of corporate and personal banking services, conducting treasury business, provision of asset management and trustee services and other financial services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CMB and its ultimate beneficial owner is not a connected person of the Company and is a third party independent of the Company and its connected persons in accordance with the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As the highest percentage ratio for the Wealth Management Agreement I is less than 5%, the Wealth Management Agreement I does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the time of its signing.

Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the Wealth Management Agreement II should be aggregated with the Wealth Management Agreement I. As more than one of the applicable percentage ratios (after aggregation) exceeds 5% but less than 25%, the transaction contemplated under the Wealth Management Agreement II constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“CMB”	China Merchants Bank Co. Ltd., a joint stock company incorporated in the People’s Republic of China with limited liability, the shares of which is listed on the Stock Exchange (stock code: 3968)
“Company”	China Starch Holdings Limited (中國澱粉控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3838)
“connected person”	has the same meaning as ascribed to this term under the Listing Rules
“Directors”	the director(s) of the Company

“Golden Corn”	Shandong Shouguang Juneng Golden Corn Development Co., Ltd.* (山東壽光巨能金玉米開發有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the same meaning as ascribed to it under Rule 14.07 of the Listing Rules, as applicable to a transaction
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary share of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Agreement I”	The subscription agreement dated 9 March 2018 in relation to the subscription of Three months Gold-linked Straddling Structured Deposit Product of RMB50 million entered into between Golden Corn and CMB

“Wealth Management Agreement II”

The subscription agreement dated 12 July 2018 in relation to the subscription of Three months Gold-linked Straddling Structured Deposit Product of RMB150 million entered into between Golden Corn and CMB

“%”

per cent.

\* *Unofficial name for identification only*

By order of the Board  
**CHINA STARCH HOLDINGS LIMITED**  
**Tian Qixiang**  
*Chairman*

Shouguang, The People’s Republic of China, 12 July 2018

*As at the date of this announcement, the directors of the Company are:*

*Executive Directors:*

Mr. Tian Qixiang (*Chairman*)

Mr. Gao Shijun (*Chief Executive Officer*)

Mr. Yu Yingquan

Mr. Liu Xianggang

*Independent non-executive Directors:*

Professor Hua Qiang

Mr. Sun Mingdao

Mr. Yue Kwai Wa, Ken