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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: PROCUREMENT OF MATERIALS FOR THE CONSTRUCTION OF THE PRODUCTION FACILITIES**

#### **SUMMARY**

Reference is made to the announcements of the Company dated 10 July 2018, 15 August 2018 and 17 September 2018 in respect of certain materials procurement contracts entered into by each of Golden Corn Biotech and Golden Corn with Wuxi Qiuhe during the period from 27 January 2018 to 17 September 2018.

The Board is pleased to announce that subsequent to the previous materials procurement contracts signed with Wuxi Qiuhe, on 10 October 2018, each of (i) Golden Corn Biotech, an indirect non-wholly owned subsidiary of the Company and (ii) Golden Corn, an indirect wholly-owned subsidiary of the Company entered into new materials procurement contracts amounting to RMB1,865,311.62 with Wuxi Qiuhe, pursuant to which each of Golden Corn Biotech and Golden Corn has agreed to procure additional hot rolled stainless steel sheets and plates from Wuxi Qiuhe for the construction of its production facilities. These new materials procurement contracts are the thirteenth and fourteenth materials procurement contracts signed with Wuxi Qiuhe by members of the Group.

## **LISTING RULES IMPLICATIONS**

Pursuant to the relevant requirements of Chapter 14 of the Listing Rules, the entering of the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract itself does not constitute a discloseable transaction of the Company under the Listing Rules. However, the transactions contemplated under the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract shall be aggregated with the Previous Materials Procurement Contracts pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (after aggregation) is more than 5% but less than 25%, the transactions contemplated under the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract, when aggregated with the Previous Materials Procurement Contracts, constitute discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 10 July 2018, 15 August 2018 and 17 September 2018 in respect of the certain materials procurement contracts entered into by each of Golden Corn Biotech and Golden Corn with Wuxi Qiuhe during the period from 27 January 2018 to 17 September 2018.

Subsequent to the Previous Materials Procurement Contracts, each of (i) Golden Corn Biotech, an indirect non-wholly owned subsidiary of the Company and (ii) Golden Corn, an indirect wholly-owned subsidiary of the Company conducted open tenders for the procurement of additional hot rolled stainless steel sheets and plates for the construction of its processing facilities at Shouguang. On 9 October 2018, each of Golden Corn Biotech and Golden Corn issued a letter of acceptance to Wuxi Qiuhe, confirming that Wuxi Qiuhe has become the successful bidder.

The Board is pleased to announce that on 10 October 2018, each of Golden Corn Biotech and Golden Corn entered into a new materials procurement contract amounting to RMB1,865,311.62 with Wuxi Qiuhe pursuant to which each of Golden Corn Biotech and Golden Corn has agreed to procure additional hot rolled stainless steel sheets and plates from Wuxi Qiuhe for the construction of its production facilities at Shouguang. These new materials procurement contracts are the thirteenth and fourteenth materials procurement contracts signed with Wuxi Qiuhe by members of the Group.

Set out below is a summary of the principal terms of the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract:

### **THE THIRTEENTH MATERIALS PROCUREMENT CONTRACT**

Date of the agreement: 10 October 2018

Parties: Golden Corn Biotech, as the purchaser; and  
Wuxi Qiuhe, as the seller

Materials acquired: 45Mt 304 hot rolled stainless steel sheets  
57Mt 304 hot rolled stainless steel plates  
4Mt 316L hot rolled stainless steel sheets

Consideration: RMB1,816,854.12

Payment terms: The consideration is payable by Golden Corn Biotech, subject to the satisfaction of the quality inspection, in the next month upon the receipt of VAT invoice issued by Wuxi Qiuhe on or before 20<sup>th</sup> day of the month of delivery of the materials.

Completion date: Before the end of November 2018

### **THE FOURTEENTH MATERIALS PROCUREMENT CONTRACT**

Date of the agreement: 10 October 2018

Parties: Golden Corn, as the purchaser; and  
Wuxi Qiuhe, as the seller

Materials acquired: 2Mt 316L hot rolled stainless steel plates  
455Kg 304 hot rolled stainless steel plates

Consideration: RMB48,457.50

Payment terms: The consideration is payable by Golden Corn, subject to the satisfaction of the quality inspection, in the next month upon the receipt of VAT invoice issued by Wuxi Qiuhe on or before 20<sup>th</sup> day of the month of delivery of the materials.

Completion date: Before the end of November 2018

## **REASONS FOR AND BENEFIT OF THE THIRTEENTH MATERIALS PROCUREMENT CONTRACT AND FOURTEENTH MATERIALS PROCUREMENT CONTRACT**

The Group is expanding its production base located in Shouguang. The hot rolled stainless steel plates and sheets procured from Wuxi Qiuhe will be used for the construction of its production facilities, such as soaking tanks, raw materials tanks, saccharification tanks and fermentation tanks, which are the necessary equipment for the expansion of the Group's production capacity at Shouguang.

The procurement of the hot rolled stainless steel sheets and plates from Wuxi Qiuhe under the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract form part of the plan to expand the Group's production facilities.

The Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract were determined based on the terms of the open tender and after the arm's length negotiations among the parties thereto.

The Directors (including the independent non-executive Directors) consider that these terms of the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract 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 WUXI QIUHE**

Wuxi Qiuhe is a company incorporated in the PRC with limited liability on 6 July 2011. It is mainly engaged in the sales of metal materials and products and the import and export of various commodity and technology for itself and/or as agent for others.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Wuxi Qiuhe 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**

Pursuant to the relevant requirements of Chapter 14 of the Listing Rules, the entering of each of Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract itself does not constitute a discloseable transaction of the Company under the Listing Rules. However, the transactions contemplated under the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract shall be aggregated with the Previous Materials Procurement Contracts pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (after aggregation) is more than 5% but less than 25%, the transactions contemplated under the Thirteenth Materials Procurement Contract and Fourteenth Materials Procurement Contract, when aggregated with the Previous Materials Procurement Contracts, constitute discloseable transaction for the Company and are 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
“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 directors of the Company

“Fourteenth Materials Procurement Contract”	the materials procurement contract dated 10 October 2018 entered into between Golden Corn as purchaser and Wuxi Qiuhe as seller
“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
“Golden Corn Biotech”	Shouguang Golden Corn Biotechnology Limited* (壽光金玉米生物科技有限公司), a limited liability company established in the PRC and an indirect non-wholly-owned subsidiary of the Company, which is owned as to 55% by Golden Corn and 45% by Linqing Deneng Bio Technology Limited* (臨清德能生物科技有限公司)
“Group”	the Company and its subsidiaries from time to time
“Kg”	Kilogram(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mt”	Metric tonne(s) or 1,000 kg
“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)

“Previous Materials Procurement Contracts”	(i) the five materials procurement contracts entered into between Golden Corn as purchaser and Wuxi Qiuhe as seller and (ii) the seven materials procurement contracts entered into Golden Corn Biotech as purchaser and Wuxi Qiuhe as seller during the period from 27 January 2018 to 17 September 2018 in respect of the procurement of the hot rolled stainless steel plates and sheets, the particulars of which are disclosed in the announcement of the Company dated 10 July 2018, 15 August 2018 and 17 September 2018, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thirteenth Materials Procurement Contract”	the materials procurement contract dated 10 October 2018 entered into between Golden Corn Biotech as purchaser and Wuxi Qiuhe as seller
“Wuxi Qiuhe”	Wuxi Qiuhe Stainless Steel Co., Ltd.* (無錫求和不銹鋼有限公司), a company established in the PRC with limited liability on 6 July 2011
“VAT”	the value-added tax
“%”	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, 10 October 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