

*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.*



## **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 ACQUISITION OF LAND USE RIGHT IN SHOUGUANG**

#### **SUMMARY**

On 11 April 2019, Golden Corn Biotech, an indirect non-wholly owned subsidiary of the Company, as the successful bidder of the listing-for-sale (掛牌出讓) of the Land, has received the Agreement Confirmation from the Shouguang Land Reserve Centre for the acquisition of the Land at a consideration of RMB140,500,000, which will be developed as the production base of Golden Corn Biotech. Golden Corn Biotech will sign the Land Use Rights Grant Contract with Shouguang Land Bureau as soon as practicable in accordance with the terms and conditions of Agreement Confirmation.

#### **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios for the Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## THE LAND ACQUISITION

The Board is pleased to announce that, on 11 April 2019, Golden Corn Biotech, an indirect non-wholly owned subsidiary of the Company, has received the Agreement Confirmation from the Shouguang Land Reserve Centre to confirm that Golden Corn Biotech is the successful bidder in the process of the listing-for-sale (掛牌出讓) of the Land, which will be developed as the production base of Golden Corn Biotech. Golden Corn Biotech will sign the Land Use Rights Grant Contract with Shouguang Land Bureau as soon as practicable in accordance with the terms and conditions of Agreement Confirmation.

## PRINCIPAL TERMS OF THE AGREEMENT CONFIRMATION

The principal terms of the Agreement Confirmation are as follows.

- Parties:
1. Shouguang Land Bureau as seller
  2. Golden Corn Biotech as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Shouguang Land Bureau is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Information on the Land: The land use right of a piece or parcel of land situated at the west side of Xingyuanxi Road and the south side of Nanxin Road, Shouguang, Shandong Province, the PRC, with a total site area of approximately 308,787 square metres for industrial use with a land use term of 50 years.

Earnest money (競買保證金): An earnest money of RMB100,000,000 was paid to the Finance Bureau of Shouguang City.

Land Premium: The consideration payable by Golden Corn Biotech for the Land Acquisition is RMB140,500,000. The earnest money would be applied as part payment of the Land Premium in accordance with the Agreement Confirmation. The balance of the Land Premium of RMB40,500,000 shall be paid in full in accordance with the Land Use Rights Grant Contract.

The Land Premium is the bid price made by Golden Corn Biotech at the listing-for-sale (掛牌出讓) and was determined having taken into account the location and development potential of the Land.

The Land Premium will be funded by the Group's internal resources.

## **REASONS FOR THE LAND ACQUISITION**

As disclosed in the annual results announcement dated 18 March 2019, the production base of Golden Corn Biotech was still under construction in 2018. Our construction activities on the Shouguang production complex is still undergoing as at the date of this announcement. The newly acquired land can provide sufficient space for the construction and installation of the necessary plants and equipment for the production of cornstarch and lysine related products.

The Directors are of the view that the Land Acquisition is in line with the business development plan of Golden Corn Biotech, and the business expansion strategy of the Group. The Directors consider that the terms of the Agreement Confirmation are on normal commercial terms, fair and reasonable and the Land Acquisition is in the interests of the Group and the Shareholders 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 THE SHOUGUANG LAND RESERVE CENTRE AND SHOUGUANG LAND BUREAU**

Shouguang Land Reserve Centre is a division directly under Shouguang Land Bureau, which is a governmental body in the PRC and is responsible for, among other things, administering the examination and approval of land planning, assignment and transfer of the land use rights of the state-owned land in Shouguang, the PRC, and issue of different land certificates.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Shouguang Land Bureau is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

### **DEFINITIONS**

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

“Agreement Confirmation”	Confirmation on agreement for online bidding* ( 國有建設用地使用權網上交易成交確認書 ) dated 8 April 2019 in relation to the Land Acquisition issued by Shouguang Land Reserve Centre
“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)
“Directors”	the directors 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

“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
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land use right of a piece or parcel of land situated at the west side of Xingyuanxi Road and the south side of Nanxin Road, Shouguang, Shandong Province, the PRC, with a total site area of approximately 308,787 square metres, being the subject matter of the Land Acquisition
“Land Acquisition”	the acquisition of the Land by Golden Corn Biotech as contemplated under the Agreement Confirmation
“Land Premium”	RMB140,500,000, being the consideration payable by Golden Corn Biotech for the acquisition of the Land pursuant to the Agreement Confirmation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Land Use Rights Grant Contract”	the land use rights grant contract (國有建設用地使用權出讓合同) to be entered into between Golden Corn Biotech and Shouguang Land Bureau* (壽光市國土資源局) in respect of the Land
“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
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shouguang Land Reserve Centre”	Shouguang Land Reserve Centre* (壽光市土地儲備中心)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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, 15 April 2019

*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