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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 TRANSACTIONS ACQUISITIONS OF LAND USE RIGHTS IN SHOUGUANG

- On 20 November 2013, Golden Corn (an indirect wholly-owned subsidiary of the Company), pursuant to the Lands A Agreement Confirmations, entered into the Transfer Contracts with the Shouguang Provisional Department of Land and Resources for the acquisition of Lands A at an aggregate consideration of RMB47,340,000 (equivalent to approximately HK\$59,175,000). As all the applicable percentage ratios for the First Land Transaction were less than 5% at the time when it was entered into by Golden Corn, the First Land Transaction did not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules.
- On 16 May 2014, Golden Corn, as the successful bidder of the online bidding (網上競價) of Land B, entered into the Land B Agreement Confirmation with the Shouguang Land Reserve Centre for the acquisition of Land B at a consideration of RMB7,080,000 (equivalent to approximately HK\$8,850,000). As the highest of the applicable percentage ratios for the Second Land Transaction, in aggregate with the First Land Transaction, is more than 5% but less than 25%, the Second Land Transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.
- On 16 May 2014, Golden Corn, as the successful bidder of the online bidding of Land C, entered into the Land C Agreement Confirmation with the Shouguang Land Reserve Centre for the acquisition of Land C at a consideration of RMB4,750,000 (equivalent to approximately HK\$5,937,500). As the highest of the applicable percentage ratios for the Third Land Transaction, in aggregate with the First Land Transaction and the Second Land Transaction, is more than 5% but less than 25%, the Third Land Transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE FIRST LAND TRANSACTION

On 20 November 2013, Golden Corn (an indirect wholly-owned subsidiary of the Company), pursuant to the Lands A Agreement Confirmations, entered into the Transfer Contracts with the Shouguang Provisional Department of Land and Resources for the acquisition of Lands A at an aggregate consideration of RMB47,340,000 (equivalent to approximately HK\$59,175,000) on the principal terms set out below.

The Transfer Contracts

Date: 20 November 2013

Parties:

1. Shouguang Provisional Department of Land and Resources as seller
2. Golden Corn as purchaser

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

Information on Lands A:

The lands are in respect of two pieces or parcels of land, which are adjacent to each other and both situated at the north side of Anshun Street and the west side of Xingyuan Road, Shouguang, Shandong Province, the PRC, with a total site area of approximately 133,333 square metres. The lands are for industrial use and each with a land use term of 50 years.

Lands A are located next to the piece of land (the “**Existing Land**”) which was previously acquired by Golden Corn as disclosed in the announcement of the Company dated 31 October 2012 (the “**Announcement**”).

Land Premium:

The total consideration (inclusive of the earnest money (競買保證金) in the aggregate amount of RMB14,500,000 (equivalent to approximately HK\$18,125,000)) payable by Golden Corn for the acquisition of Lands A under the Transfer Contracts is RMB47,340,000 (equivalent to approximately HK\$59,175,000).

The land premium was the aggregate amount of the respective bid prices made by Golden Corn at the listing-for-sale (掛牌出讓) of Lands A and was determined having taken into account the locations and development potential of Lands A.

The land premium has been fully paid by the Group's internal resources as at the date of this announcement.

THE SECOND LAND TRANSACTION

On 16 May 2014, Golden Corn, as the successful bidder of the online bidding of Land B, entered into the Land B Agreement Confirmation with the Shouguang Land Reserve Centre for the acquisition of Land B at a consideration of RMB7,080,000 (equivalent to approximately HK\$8,850,000) on the principal terms set out below.

The Land B Agreement Confirmation

Date: 16 May 2014

Parties:

1. Shouguang Land Reserve Centre
2. Golden Corn as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Shouguang Land Reserve Centre is a third party independent of the Company and its connected persons.

Information on Land B: The land is in respect of a piece or parcel of land situated at the west side of Gucheng Street, Xingyuan Road, the east side of Xingye Road and the north side of Anshun Street, Shouguang, Shandong Province, the PRC, with a site area of 19,874 square metres for industrial use with a land use term of 50 years.

Land Premium: The consideration payable by Golden Corn for the acquisition of Land B is RMB7,080,000 (equivalent to approximately HK\$8,850,000) (inclusive of the pre-paid earnest money of RMB2,000,000 (equivalent to approximately HK\$2,500,000)). The balance of the land premium in the sum of RMB5,080,000 (equivalent to approximately HK\$6,350,000) shall be paid in full within 30 days of the date of the Land B Agreement Confirmation.

The land premium was the bid price made by Golden Corn at the online bidding and was determined having taken into account the location and development potential of Land B.

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

Transfer Contract in respect of land use right of State-owned land: Golden Corn is required to enter into a transfer contract (國有建設用地使用權出讓合同) in respect of the land use right of State-owned land in respect of Land B with the relevant local Government authority within 30 days of the date of the Land B Agreement Confirmation.

THE THIRD LAND TRANSACTION

On 16 May 2014, Golden Corn, as the successful bidder of the online bidding of Land C, entered into the Land C Agreement Confirmation with the Shouguang Land Reserve Centre for the acquisition of Land C at a consideration of RMB4,750,000 (equivalent to approximately HK\$5,937,500) on the principal terms set out below.

The Land C Agreement Confirmation

Date: 16 May 2014

Parties:

1. Shouguang Land Reserve Centre
2. Golden Corn as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Shouguang Land Reserve Centre is a third party independent of the Company and its connected persons.

Information on Land C: The land is in respect of a piece or parcel of land situated at the west side of Gucheng Street, Xingyuan Road, the east side of Xingye Road and the north side of Anshun Street, Shouguang, Shandong Province, the PRC, with a site area of 13,333 square metres for industrial use with a land use term of 50 years.

Land Premium: The consideration payable by Golden Corn for the acquisition of Land C is RMB4,750,000 (equivalent to approximately HK\$5,937,500) (inclusive of the pre-paid earnest money of RMB1,500,000 (equivalent to approximately HK\$1,875,000)). The balance of the land premium in the sum of RMB3,250,000 (equivalent to approximately HK\$4,062,500) shall be paid in full within 30 days of the date of the Land C Agreement Confirmation.

The land premium was the bid price made by Golden Corn at the online bidding and was determined having taken into account the location and development potential of Land C.

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

Transfer Contract in respect of land use right of State-owned land: Golden Corn is required to enter into a transfer contract (國有建設用地使用權出讓合同) in respect of the land use right of State-owned land in respect of Land C with the relevant local Government authority within 30 days of the date of the Land C Agreement Confirmation.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITIONS

The Group is one of the largest cornstarch manufacturers and suppliers in the PRC and is principally engaged in the manufacture and sales of cornstarch, lysine, starch-based sweetener, modified starch and its related products and the generation and sales of electricity and steam.

As disclosed in the Announcement, the Group may relocate the whole of its production plants and facilities at the exiting Shouguang production complex to a new production site as may be granted by the Municipal Government of Shouguang to facilitate and in furtherance of the Group's expansion plan.

Lands A, Land B and Land C will be developed together with the Existing Land as the Group's new production site. As previously disclosed in the Company's annual report for the financial year ended 31 December 2013, the new production site is expected to include production facilities with annual cornstarch, lysine and modified starch production capacities of approximately 450,000 tonnes 55,000 tonnes and 100,000 tonnes respectively.

The Directors are of the view that the Land Acquisitions are to facilitate and in furtherance of the Group's expansion plan. The Directors consider that the terms of the respective Transfer Contracts, the Land B Agreement Confirmation and the Land C Agreement Confirmation are fair and reasonable and the Land Acquisitions are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The First Land Transaction

As all the applicable percentage ratios (as defined in the Listing Rules) for the First Land Transaction were less than 5% at the time when it was entered into by Golden Corn, the First Land Transaction did not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Second Land Transaction

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

The Third Land Transaction

As the highest of the applicable percentage ratios for the Third Land Transaction is, when aggregate with the First Land Transaction and the Second Land Transaction, more than 5% but less than 25%, the Third Land Transaction constitutes a discloseable transaction of the Company and is subject to the notification 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)
“Directors”	the directors of the Company
“First Land Transaction”	the transactions contemplated under the Transfer Contracts
“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 wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company
“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 Acquisitions”	the acquisitions of Lands A, Land B and Land C by Golden Corn as contemplated under the Transfer Contracts, the Land B Agreement Confirmation and the Land C Agreement Confirmation respectively
“Land B”	the land use right of the piece or parcel of land situated at the west side of Gucheng Street, Xingyuan Road, the east side of Xingye Road and the north side of Anshun Street, Shouguang, Shandong Province, the PRC, with a site area of 19,874 square metres
“Land B Agreement Confirmation”	the 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 16 May 2014 entered into between the Shouguang Land Reserve Centre and Golden Corn in relation to the acquisition of Land B
“Land C”	the land use right of the piece or parcel of land situated at the west side of Gucheng Street, Xingyuan Road, the east side of Xingye Road and the north side of Anshun Street, Shouguang, Shandong Province, the PRC, with a site area of 13,333 square metres

“Land C Agreement Confirmation”	the 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 16 May 2014 entered into between the Shouguang Land Reserve Centre and Golden Corn in relation to the acquisition of Land C
“Lands A”	the land use rights of the two pieces or parcels of land which are adjacent to each other and both situated at the north side of Anshun Street and the west side of Xingyuan Road, Shouguang, Shandong Province, the PRC, with a total site area of approximately 133,333 square metres
“Lands A Agreement Confirmations”	the two confirmations on agreement for listing-for-sale* (國有建設用地使用權掛牌成交確認書) both dated 30 October 2013 entered into between the Shouguang Land Reserve Centre and Golden Corn in relation to the acquisitions of Lands A
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Second Land Transaction”	the transaction contemplated under the Land B Agreement Confirmation
“Shouguang Land Reserve Centre”	Shouguang Land Reserve Centre* (壽光市土地儲備中心)
“Shouguang Provisional Department of Land and Resources”	Shouguang Provisional Department of Land and Resources* (壽光市國土資源局)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Land Transaction”	the transaction contemplated under the Land C Agreement Confirmation
“Transfer Contracts”	the two transfer contracts both dated 20 November 2013 entered into between the Shouguang Provisional Department of Land and Resources and Golden Corn in relation to the acquisition of Lands A
“%”	per. cent.

* *Unofficial names for identification purpose only*

Unless otherwise specified, the conversion of HK\$ into RMB is based on an exchange rate of **HK\$1.00 = RMB0.80**. No representation is made that any amounts in HK\$ and RMB have been or could be converted at the relevant dates at the above rate or any other rate or at all.

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

Shouguang, the People's Republic of China, 26 May 2014

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:

Mr. Yue Kwai Wa, Ken
Mr. Chen Zhijun
Mr. Sun Mingdao