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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION: ACQUISITION OF LAND USE RIGHT IN SHOUGUANG

Reference is made to the announcement (the “**Announcement**”) of Company dated 12 March 2021. Unless otherwise defined in this announcement, capitalised terms used in this announcement have the same meaning as defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the Land Acquisition I as follows:

PRINCIPAL TERMS OF THE AGREEMENT CONFIRMATION I

The principal terms of the Agreement Confirmation I are as follows.

Parties:

1. NRPA as seller
2. Golden Far East as purchaser

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

Information on the Land I: The land use right of a piece or parcel of land situated at the east side of Xingyuandong Road and the south side of Nanxin Road, Shouguang, Shandong Province, the PRC, with a total site area of approximately 80,572 square metres for industrial use with a land use term of 50 years.

Land Premium I: The consideration in the amount of RMB37,470,000 was paid in full on 25 December 2020 by Golden Far East for the Land Acquisition I in accordance with the Agreement Confirmation I and Land Use Rights Grant Contract I.

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

The Land Premium I was funded by the Group's internal resources.

REASONS FOR THE LAND ACQUISITION I

The Land I, together with the Land II, are to be construct for use as new lactic acid and polylactic acid production sites of the Group, which are expected to be completed by the end of 2021.

The Directors are of the view that the Land Acquisition I is in line with the business development plan of Golden Far East, and the business expansion strategy of the Group. The Directors consider that the terms of the Agreement Confirmation I are on normal commercial terms, fair and reasonable and the Land Acquisition I is in the interests of the Group and the Shareholders as a whole.

DEFINITION

In this announcement, the following expression shall, unless the context requires otherwise, has the following meanings:

“Land Premium I” RMB37,470,000, being the consideration paid by Golden Far East for the acquisition of the Land I pursuant to the Agreement Confirmation I and Land Use Rights Grant Contract I

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

Shouguang, The People’s Republic of China, 15 March 2021

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