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The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 12 September 2007 (the “Prospectus”) issued by the Company.



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)

EXERCISE OF OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

Exercise of Over-allotment Option

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by CCB International Capital Limited (the “Lead Manager”) on 17 October 2007 in respect of an aggregate of 22,500,000 additional new Shares, representing 15% of the total number of Shares initially available under the Global Offering, solely to cover over-allocations in the International Placing.

The 22,500,000 additional new Shares will be allotted and issued by the Company at HK\$2.22 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Global Offering.

Stabilizing actions and end of Stabilization Period

The Company also announces that the stabilization period in connection with the Global Offering ended on 17 October 2007.

The stabilizing actions undertaken by the Lead Manager as the stabilizing manager during the stabilization period were:

- (i) the over-allocations of 22,500,000 Shares made in the International Placing; and
- (ii) the exercise of the Over-allotment Option in full by the Lead Manager in respect of an aggregate of 22,500,000 additional new Shares on 17 October 2007 as mentioned above.

Exercise of Over-allotment Option

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in full by the Lead Manager on 17 October 2007 in respect of an aggregate of 22,500,000 additional new Shares (the “**Over-allotment Shares**”), representing 15% of the total number of Shares initially available under the Global Offering. The Over-allotment Shares will be allotted and issued by the Company at HK\$2.22 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Global Offering.

The Lead Manager has borrowed 22,500,000 Shares from Merry Boom Group Limited (“**Merry Boom**”) pursuant to the Stock Borrowing Agreement, solely for over-allocations in the International Placing. The Over-allotment Shares will be used to facilitate the return in full to Merry Boom of the 22,500,000 borrowed Shares. The Over-allotment Shares will be used solely to cover over-allocations in the International Placing.

Immediately after the issue and allotment of the Over-allotment Shares, approximately 33.01% of the issued share capital of the Company will be held in public hands.

Listing of, and permission to deal in, the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange. Listing of and dealing in such Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:30 a.m. on 23 October 2007.

The shareholding structure of the Company immediately before and after the issue of the Over-allotment Shares by the Company is as follows:

Shareholders	Immediately before the issue of the Over-allotment Shares		Immediately after the issue of the Over-allotment Shares	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Merry Boom	350,000,000	70.00%	350,000,000	66.99%
Public	<u>150,000,000</u>	<u>30.00%</u>	<u>172,500,000</u>	<u>33.01%</u>
Total issued Shares	<u>500,000,000</u>	<u>100.00%</u>	<u>522,500,000</u>	<u>100.00%</u>

The net proceeds of approximately HK\$48 million from the issue of the Over-allotment Shares by the Company are intended to be used by the Company in the following manner:

- approximately HK\$4 million for the purchase of raw materials and general production expenses of the newly acquired production facilities;
- approximately HK\$24 million for the repayment of bank loan obtained for operating capital purpose, which is due in December 2008; and
- the balance of approximately HK\$20 million as general working capital of the Group.

The Company continues to observe the public float requirements under Rule 8.08(1)(a) of the Listing Rules immediately after the issue and allotment of the Over-allotment Shares. Save for the issue of the Over-allotment Shares upon the exercise of the Over-allotment Option, no new Shares or securities convertible into equity securities of the Company may be issued or form the subject of any agreement to such an issue within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

Stabilizing actions and end of Stabilization Period

The Company also makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) and announces that the stabilization period in connection with the Global Offering ended on 17 October 2007.

The stabilizing actions undertaken during the stabilization period by the Lead Manager as the stabilizing manager were: (i) the over-allocations of 22,500,000 Shares made in the International Placing; and (ii) the exercise of the Over-allotment Option in full by the Lead Manager in respect of the Over-allotment Shares on 17 October 2007 as mentioned above.

The stock borrowing arrangement fully complies with the requirement of Rule 10.07(3) of the Listing Rules and is effected in accordance with the arrangement disclosed in the Prospectus.

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

Hong Kong, 17 October, 2007

As at the date of this announcement, the executive Directors are Mr. TIAN Qixiang, Mr. GAO Shijun, Mr. YU Yingquan and Mr. LIU Xianggang and the independent non-executive Directors are Ms. DONG Yanfeng, Ms. YU Shumin, Mr. Cao Zenggong and Mr. YUE Kwai Wa, Ken.