



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)

VOLUNTARY ANNOUNCEMENT

FURTHER EXTENSION OF COMPLETION OF ACQUISITION OF PRODUCTION FACILITIES

Reference is made to the announcement and circular (the “**Acquisition Circular**”) of China Starch Holdings Limited (the “**Company**”) dated 11 April 2008 and 14 May 2008 respectively and the announcement (the “**Extension Announcement**”) of the Company dated 6 June 2008. Terms used herein shall have the same meanings as those defined in the Acquisition Circular unless otherwise defined herein.

On 9 April 2008, Deneng Golden Corn entered into the Provisional Sale and Purchase Agreement with Deneng Bio Tech for the conditional acquisition by Deneng Golden Corn of the Production Assets and Property Assets from Deneng Bio Tech. It is a term of the Provisional Sale and Purchase Agreement that Deneng Bio Tech would be provided with an initial period of three months from 10 March 2008 (being the date of the JV Agreement entered into between Golden Corn and Deneng Bio Tech for the formation of Deneng Golden Corn), extendable by Deneng Golden Corn, to complete with the application for and the obtaining of the relevant land use rights and certificates of title of the Property Assets (the “**Relevant Certificates**”).

As disclosed in the Extension Announcement, Deneng Golden Corn and Deneng Bio Tech had on 5 June 2008 entered into a supplemental agreement (the “**Supplemental Agreement**”) pursuant to which Deneng Golden Corn agreed to extend the deadline for obtaining the Relevant Certificates to 31 December 2008. The Company has recently been informed by Deneng Bio Tech that additional time is needed to obtain the Relevant Certificates as the application for the Relevant Certificates is required to be processed by different levels of PRC regulatory authorities in groups with other applications and it is unlikely that the approval procedures will be completed on or before 31 December 2008. In this respect, a further supplemental agreement (the “**Further Supplemental Agreement**”) was entered into on 18 December 2008 between Deneng Golden Corn and Deneng Bio Tech, pursuant to which Deneng Golden Corn agreed to further extend the deadline for obtaining the Relevant Certificates to 31 December 2009.

As completion of the Property Assets Acquisition will be postponed by virtue of the further extension of the deadline for obtaining the Relevant Certificates, for the avoidance of doubt, it is reiterated in the Further Supplemental Agreement that the time for settlement of the remaining balance of the consideration for the Acquisitions shall remain as follows:

- (i) the third installment of RMB22,000,000 for the Production Assets Acquisition shall be payable within 10 days following completion of the Property Assets Acquisition;
- (ii) the second installment for the Property Assets Acquisition, being the actual expenses to be incurred by Deneng Bio Tech in acquiring the land use rights of the associated land (with a cap of RMB20,000,000), shall be payable within 10 days following completion of the Property Assets Acquisition; and
- (iii) the remaining balances of RMB1,529,513 under the Production Assets Acquisition and RMB417,230 under the Property Assets Acquisition as “quality assurance retainer” shall be payable after one year from the completion of the Property Assets Acquisition, on the condition that no material defects shall be found in the title and/or quality of the Production assets and the Property Assets.

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

Hong Kong, 19 December 2008

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.