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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)

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS**

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of China Starch Holdings Limited (the “**Company**”) has noted the increase in today’s price and trading volume of the shares of the Company and wish to state that save as disclosed below, the Board is not aware of any reasons for such increase.

The Board noted that it was reported in certain press articles published on 7 December 2009 that the Company is planning to increase its production capacity of cornstarch and starch-based sweetener from 850,000 tonnes to 1,500,000 tonnes and from 100,000 tonnes to 700,000 tonnes respectively in the next three to five years through improvement in technologies and/or merger and acquisition. The Company wishes to clarify that the above statements of Mr. Gao Shijun (the Chief Executive Officer of the Company) is the preliminary business expansion plan of the Company and as such, it is by no means finalised. The Company is actively seeking possible acquisitions in the cornstarch and its related industries. However, there are no negotiations or binding agreements relating to intended acquisitions thus far. Appropriate announcement will be made by the Company in respect of any such acquisitions in compliance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) if and when appropriate.

Save for the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

**In the meantime, shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company.**

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By order of the Board

**Tian Qixiang**

*Chairman*

Hong Kong, 7 December 2009

*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 Zengong and Mr. Yue Kwai Wa, Ken.*