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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)

**CONNECTED TRANSACTIONS:
SALES OF BANK ACCEPTANCE BILLS**

On 16 December 2009, 17 December 2009 and 23 December 2009, Golden Corn effected sales of bank acceptance bills which it had received from its customers to Juneng Special Steel and Juneng Holding Group (both are connected persons of the Company) respectively.

As the aggregate amount of the Sales is more than 2.5% but less than 25% of the applicable percentage ratios of the Company under Rule 14.07 of the Listing Rules and is more than HK\$10,000,000, the Sales are subject to the announcement requirement of Rule 14A.47 of the Listing Rules, the independent shareholders' approval requirement of Rule 14A.48 of the Listing Rules and the reporting requirements of Rules 14A.45 of the Listing Rules. The Company should have complied with but was in breach of the announcement and independent shareholders' approval requirements. The particulars of the Sales will be included in the next published annual report and accounts of the Company for year ended 31 December 2009 in compliance with the requirements of Rule 14A.45 of the Listing Rules.

CONNECTED TRANSACTIONS: SALES OF BANK ACCEPTANCE BILLS

On the dates mentioned below, Golden Corn, an indirectly wholly-owned subsidiary of the Company, sold the following bank acceptance bills that it had received from its customers at their face values (in aggregate, amounted to RMB42,400,000 (equivalent to approximately HK\$48,149,000)) to the following persons (each of them is a connected person of the Company):

Date	Seller	Purchaser	Aggregate face value of bank acceptance bills sold	Aggregate sale price
16 December 2009	Golden Corn	Juneng Special Steel	RMB20,000,000 (equivalent to approximately HK\$22,712,000)	RMB20,000,000 (equivalent to approximately HK\$22,712,000)
17 December 2009	Golden Corn	Juneng Holding Group	RMB2,400,000 (equivalent to approximately HK\$2,725,000)	RMB2,400,000 (equivalent to approximately HK\$2,725,000)
23 December 2009	Golden Corn	Juneng Special Steel	RMB20,000,000 (equivalent to approximately HK\$22,712,000)	RMB20,000,000 (equivalent to approximately HK\$22,712,000)
Total:			RMB42,400,000 (equivalent to approximately HK\$48,149,000)	RMB42,400,000 (equivalent to approximately HK\$48,149,000)

The consideration of each Sale was paid in cash and fully settled on the date of each Sale. The Sales to Juneng Special Steel and Juneng Holding Group respectively were entered into in the ordinary and usual course of business of the Group. The terms of the Sales were determined after arm's length negotiation between Golden Corn on the one hand and Juneng Special Steel and Juneng Holding Group on the other hand.

The original costs of the bank acceptance bills to Golden Corn sold under the Sales were RMB42,400,000. The unaudited book value of such bank acceptance bills as recorded in the unaudited accounts of Golden Corn was RMB42,400,000 (equivalent to approximately HK\$48,149,000).

REQUIREMENTS OF THE LISTING RULES IN RESPECT OF THE CONNECTED TRANSACTIONS

Juneng Holding Group is owned as to 55% by Mr. Tian, an executive Director, and an associate of Mr. Tian and accordingly, a connected person of the Company for the purpose of Chapter 14A of the Listing Rules.

Juneng Special Steel is owned as to 59% by Juneng Holding Group. As Juneng Special Steel is a subsidiary of Juneng Holding Group which is in turn an associate of Mr. Tian, Juneng Special Steel is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules.

The Sales to Juneng Holding Group and Juneng Special Steel respectively constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.25 of the Listing Rules, the amount of the Sales to Juneng Special Steel and Juneng Holding Group respectively should be aggregated. As the aggregate amount of the Sales is more than 2.5% but less than 25% of the applicable percentage ratios of the Company under Rule 14.07 of the Listing Rules and is more than HK\$10,000,000, the Sales are subject to the announcement requirement of Rule 14A.47 of the Listing Rules, the independent shareholders' approval requirement of Rule 14A.48 of the Listing Rules and the reporting requirements of Rules 14A.45 of the Listing Rules. The Company should have complied with but was in breach of the announcement and independent shareholders' approval requirements. The particulars of the Sales will be included in the next published annual report and accounts of the Company for year ended 31 December 2009 in compliance with the requirements of Rule 14A.45 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE SALES AND USE OF PROCEEDS

The principal raw material of the Group's products is corn kernels. The Group sources corn kernels principally from individual farmers and settles these purchases on a cash-on-delivery basis. It is the Group's policy to keep high level of corn kernels near to the year end and Chinese New Year in order to ensure having abundant inventories for the production in holidays and winter. The Sales provided the Group with immediately available cash for payment of its suppliers on the one hand and on the other hand, minimized the interest expenses of the Group by minimizing the amount of the Group's bank borrowings for payment of its suppliers.

The Directors (including the independent non-executive Directors) consider that the Sales were entered into on normal commercial terms and that the terms of the Sales are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE SALES

As the bank acceptance bills were sold to Juneng Special Steel and Juneng Holding Group at their respective face values under the Sales, which face values were the same as their unaudited book values as recorded in the unaudited accounts of Golden Corn, the Company is not expected to have any gain or loss as a result of the Sales.

INFORMATION OF JUNENG SPECIAL STEEL AND JUNENG HOLDING GROUP

Juneng Special Steel is a company established in the PRC with limited liability, principally engaged in the manufacture and sales of steel, pig iron and sintered ore.

Juneng Holding Group is a company established in the PRC with limited liability, principally engaged in investment holding.

GENERAL

The Company is an investment holding company. The principal activities of the Group are in the manufacture and sale of cornstarch and ancillary corn-refined products, lysine, starch-based sweetener, its related products and sales of electricity and steam.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Starch Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Golden Corn”	山東壽光巨能金玉米開發有限公司(Shangdong Shouguang Juneng Golden Corn Development Co., Ltd.*), 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Juneng Holding Group”	山東壽光巨能控股集團有限公司(Shangdong Shouguang Juneng Holding Group Co., Ltd.*), a company established in the PRC with limited liability
“Juneng Special Steel”	山東壽光巨能特鋼有限公司(Shangdong Shouguang Juneng Special Steel Co., Ltd.*), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“ Mr. Tian”	Mr. Tian Qixiang, an executive Director and the Chairman of the Company
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Sale(s)”	the sale(s) of bank acceptance bills by Golden Corn to Juneng Special Steel and Juneng Holding Group as mentioned in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	renminbi, the lawful currency of PRC
“%”	per cent

*Unless otherwise specified, the conversion of **HK\$** into **RMB** is based on an exchange rate of **HK\$1.00 = RMB0.88058**. No presentation is made that the amounts stated in this announcement have been or could be converted at the above rate.*

** Unofficial name for identification purposes only*

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

Hong Kong, 14 April 2010

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 Zeng Gong and Mr. Yue Kwai Wa, Ken.