

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROJECT DEVELOPMENT MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that Golden Corn has signed the MOU with the Municipal Government of Shouguang on 20 August 2010 in furtherance of the proposed expansion plan of the Group as announced in the announcement of the Company dated 19 January 2010.

In furtherance of the proposed expansion plan, as announced in the announcement dated 19 January 2010 (the “**First Announcement**”) of China Starch Holdings Limited (the “**Company**”, which together with its subsidiaries from time to time is referred to as the “**Group**”), of the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that Shandong Shouguang Juneng Golden Corn Development Co., Limited (“**Golden Corn**”), an indirect wholly-owned subsidiary of the Company, signed a project development memorandum of understanding (the “**MOU**”) with the Municipal Government of Shouguang (the “**Municipal Government**”) on 20 August 2010. It is the understanding of the parties to the MOU that a site of not less than approximately 400,000 square metres as the new production site of the Group together with preferential policies will be offered by the Municipal Government to Golden Corn. The area of the new production site that may be offered is significantly larger than the area of the existing production site of Golden Corn, which is approximately 118,000 square metres. The MOU is not legally binding between the parties. The terms of the acquisition of the new production site (including without limitation, the consideration and the payment terms) and the offering of preferential policies are subject to further negotiation between the Municipal Government and the Group on the one hand and the signing of a legally binding definitive agreement on the other hand. Further announcement will be made by the Company as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The acquisition of new production site is to facilitate the expansion plan for the purpose of increasing the annual production capacity of the Group. The Group intends that the new production site will have cornstarch and lysine production capacities of approximately 400,000 tonnes and 50,000 tonnes per annum respectively.

The Group's expansion plan of increasing its annual production capacity of cornstarch, lysine and starch-based sweetener from 850,000 tonnes, 55,000 tonnes, and 100,000 tonnes per annum to 1,650,000 tonnes, 105,000 tonnes and 300,000 tonnes respectively as disclosed in the First Announcement is ongoing subject to changes in the proposed timetable for achieving the proposed annual production capacity as a result of (among other factors) the time required in seeking appropriate new production site. The Company will keep its shareholders informed of any development as and when appropriate and to make appropriate announcement in compliance with the Listing Rules.

By order of the Board

Tian Qixiang

Chairman

Hong Kong, 20 August 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 Zenggong and Mr. Yue Kwai Wa, Ken.