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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)

PROFIT WARNING

This announcement is made by China Starch Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited management accounts of the Group, the gross profit and net profit of the Group for the six months ended 30 June 2012 (the “**Current Period**”) are expected to record a decline, which could be significant subject to finalisation of the Group’s consolidated interim results for the Current Period as compared to those for the six months ended 30 June 2011, despite the turnover of the Group for the Current Period is expected to remain stable. The Directors believe that the expected decline was mainly attributable to (i) the decrease in the selling price of the Group’s cornstarch and lysine products; and (ii) the increase in cost of corn kernel during the Current Period.

As the Company is still in the process of finalising the consolidated interim results for the Current Period, the magnitude of the expected decline is yet to be ascertained and shareholders of the Company and potential investors are advised to refer to the interim results announcement of the Company for the Current Period for the magnitude, which is expected to be published in August 2012. Shareholders of the Company and potential investors should note that the information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the information currently available including the unaudited management accounts of the Group, which have not been reviewed or audited by the auditors of the Company and the actual results of the Group for the Current Period may be different from what is disclosed in this announcement.

Despite the expected decline, the Board considers that the financial position of the Group remains sound and healthy and the Board is positive on the long term prospect of the Group.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Shouguang, the People’s Republic of China, 12 July 2012

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, Mr Cao Zengcong and Mr Yue Kwai Wa, Ken.