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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(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2018 (the “**Period**”), there was a substantial decline in the Group’s net profit by approximately 40% in the Period as compared with that for the corresponding period in 2017.

The Board believes that the Group’s profitability for the Period was mainly affected by the following factors:

- (i) The corn kernel market price increased substantially in Shandong region.

- (ii) The increase in coal price resulted in the increase in prices of electricity and steam.
- (iii) The selling price of our products was not adjusted in the same pace with the increase in production cost.

The information contained in this announcement is based on the preliminary assessment by the Board mainly with reference to information currently available, including the unaudited consolidated management accounts of the Group for the Period, which is yet to be finalised and has not yet been audited or reviewed by the auditor of the Company. As such, the actual financial results of the Group for the six months ending 30 June 2018 may be different from what is disclosed in this announcement.

Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ending 30 June 2018 which is expected to be published in or around August 2018.

Shareholders 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

Hong Kong, 20 June 2018

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Tian Qixiang (*Chairman*)
Mr. Gao Shijun (*Chief Executive Officer*)
Mr. Liu Xianggang
Mr. Yu Yingquan

Independent non-executive Directors:

Professor Hua Qiang
Mr. Sun Mingdao
Mr. Yue Kwai Wa, Ken