
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Starch Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**PROPOSALS FOR
BONUS ISSUE OF SHARES, INCREASE IN AUTHORISED SHARE CAPITAL
AND CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EGM**

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at Taishan Mountain Room, Wuzhou Guest House, No. 6001 Shennan Road, Shenzhen, The People’s Republic of China, at 10:45 a.m. on 16 May 2008 (Friday) (immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 10:00 a.m. on the same day and at the same place) is set out on pages 11 to 13 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

29 April 2008

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EXPECTED TIMETABLE

2008

Last day of dealings in Shares cum-entitlement to the Bonus Shares.	8 May (Thursday)
First day of dealing in Shares ex-entitlement to the Bonus Shares.	9 May (Friday)
Latest time for lodging transfer of Shares in order to be entitled to the Bonus Shares	4:00 p.m. on 13 May (Tuesday)
Latest time for lodging forms of proxy for the EGM	10:45 a.m. on 14 May (Wednesday)
EGM.	10:45 a.m. on 16 May (Friday)
Closure of register of members of the Company for the Bonus Issue	14 May (Wednesday) to 16 May (Friday) (both days inclusive)
Record Date for determining entitlement to the Bonus Shares.	16 May (Friday)
Announcement of the results of the EGM.	19 May (Monday)
Re-open of register of members of the Company	19 May (Monday)
Despatch of share certificates for the Bonus Shares	on or before 23 May (Friday)
First date of dealing in Bonus Shares	26 May (Monday)

Note: All times in this circular refer to Hong Kong time.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares to the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date on the basis of four Bonus Shares for every one existing Share held on the Record Date
“Bonus Shares”	new Shares proposed to be issued by way of Bonus Issue on the terms set out in this circular
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Starch Holdings Limited (中國澱粉控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at 10:45 a.m. on 16 May 2008 (Friday) immediately after the conclusion or adjournment of the 2008 Annual General Meeting on the same day and at the same place (and any adjournment thereof)
“Entitlement”	entitlement to the Bonus Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK Share Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	25 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date are outside Hong Kong
“Proposals”	the proposals relating to the Bonus Issue, the increase in authorised share capital of the Company and the change in board lot size of Shares as set out in this circular
“Record Date”	16 May 2008 (Friday), being the date for determination of Entitlement of each Shareholder
“Register”	the register of members of the Company maintained by the HK Share Registrar in Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2008 Annual General Meeting”	the annual general meeting of the Company to be convened and held at 10:00 a.m. on 16 May 2008 (Friday) (and any adjournment thereof)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

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

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Ms Dong Yanfeng
Ms Yu Shumin
Mr Cao Zenggong
Mr Yue Kwai Wa, Ken

*Head office and principal place
of business in Hong Kong:*

Room 2408, 24th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

29 April 2008

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
BONUS ISSUE OF SHARES, INCREASE IN AUTHORISED SHARE CAPITAL
AND
CHANGE IN BOARD LOT SIZE**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 22 April 2008 in relation to the Proposals.

The purpose of this circular is to provide you with further information relating to the Proposals and give you notice of the EGM to be convened for the purpose of considering and, if thought fit, passing resolutions to approve the Bonus Issue and the proposed increase in authorised share capital of the Company.

LETTER FROM THE BOARD

2. BONUS ISSUE

Basis of the Bonus Issue

In addition to the final dividend of HK3.83 cents for the financial year ended 31 December 2007 as announced by the Company on 16 April 2008, the Directors resolved on 21 April 2008 to recommend the Bonus Issue on the basis of four Bonus Shares for every one existing Share held by Shareholders (except for Overseas Shareholders) whose names appear on the Register on the Record Date.

The Bonus Shares will be credited as fully paid by way of capitalisation of an application of an amount of HK\$209,000,000 in the share premium account of the Company.

Effect of the Bonus Issue to the shareholding

On the basis of 522,500,000 Shares in issue as at the Latest Practicable Date, and assuming no further Shares are issued or repurchased before the Record Date, 2,090,000,000 Bonus Shares will be issued pursuant to the Bonus Issue. Immediately after completion of the Bonus Issue, there will be a total of 2,612,500,000 Shares in the enlarged issued share capital of the Company.

Status of the Bonus Shares

The Bonus Shares will rank *pari passu* in all respects with the existing Shares from their date of issue except that they are not entitled to the proposed dividend for the financial year ended 31 December 2007 and will not rank for the Bonus Issue.

Fractions of the Bonus Shares

The Company will not allot any fractions of Bonus Shares. Fractional Entitlements, if any, to the Bonus Shares will not be allotted to Shareholders and will be aggregated and sold and the benefit accrued for the Company.

Application for Listing

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Bonus Shares.

The Shares are not listed or dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for listing of and permission to deal in the Bonus Shares on any stock exchange other than the Stock Exchange.

LETTER FROM THE BOARD

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue and the proposed increase in the authorised share capital of the Company as mentioned below by the Shareholders at the EGM; and
- (ii) the Listing Committee granting listing of, and permission to deal in, the Bonus Shares.

Reasons for the Bonus Issue

The Directors believe that the Bonus Issue is a return to the support of the Shareholders as well as allowing the Shareholders to participate in the growth of the Company by way of capitalisation of a portion of the share premium account.

Closure of register of members

The register of members of the Company will be closed from 14 May 2008 (Wednesday) to 16 May 2008 (Friday) (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all transfers of Shares, accompanied by the relevant share certificates, must be duly lodged with the HK Share Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 13 May 2008 (Tuesday).

Trading arrangements

Subject to (i) the granting of the listing of and permission to deal on the Stock Exchange and (ii) the compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date on which dealings in the Bonus Shares commence on the main board of the Stock Exchange or such other date as shall be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

Subject to fulfillment of the conditions of the Bonus Issue as mentioned above, it is expected that certificates for the Bonus Shares will be despatched to Shareholders (except the Overseas Shareholders) at their own risk on 23 May 2008 (Friday) and the first date of dealing in the Bonus Shares will be on or about 26 May 2008 (Monday).

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

LETTER FROM THE BOARD

Overseas Shareholders

As at the Latest Practicable Date and based on information provided by the HK Share Registrar to the Company, none of the Shareholders as recorded on the Register had address(es) which is/are outside Hong Kong.

The Directors consider that the issue of the Bonus Shares to Overseas Shareholders (if any), would or might, in the absence of compliance with registration or other special formalities in such other territories, be unlawful or impracticable. As a result, no issue of Bonus Shares will be made to Overseas Shareholders. However, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his/her/its own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

3. INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

In contemplation of the Bonus Issue and in order to provide flexibility to accommodate future expansion and growth of the Group, an ordinary resolution, which is conditional upon the Bonus Issue being approved by the Shareholders at the EGM, will be proposed at the EGM to approve an increase in the authorised share capital of the Company from HK\$100,000,000 comprising 1,000,000,000 Shares to HK\$1,000,000,000 comprising 10,000,000,000 Shares by the creation of an additional 9,000,000,000 Shares.

Save for the proposed issue of the Bonus Shares, the Directors have no present intention to issue any part of the authorised share capital of the Company.

4. CHANGE IN BOARD LOT SIZE OF SHARES

Subject to the approval of the Bonus Issue and the proposed increase in the authorised share capital of the Company by the Shareholders at the EGM, the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 5,000 Shares with effect from 26 May 2008 (Monday).

The increase in board lot size of the Shares is being implemented to increase the value of each board lot of Shares and to reduce the trading costs for Shareholders and investors of the Company. The change in board lot size will not affect the rights of the Shareholders.

LETTER FROM THE BOARD

As the Latest Practicable Date and after consultation with the HK Share Registrar, the Company did not envisage that any parallel trading and/or odd lot arrangement would be necessitated as a result of the proposed change in board lot size of Shares. In the event that such trading arrangements are considered necessary and/or appropriate, a separate announcement will be made by the Company.

All existing share certificates of the Company in board lot of 2,000 Shares each will continue to be evidence of title to such Shares and will remain valid for transfer, delivery and settlement purposes.

5. ACTIONS TO BE TAKEN

Set out on pages 11 to 13 of this circular is a notice convening the EGM at which resolutions will be proposed to approve the proposals relating to (a) the Bonus Issue and (b) the increase in the authorised share capital of the Company.

A form of proxy for use at the EGM is also enclosed with this circular. You are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the HK Share Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

6. RECOMMENDATIONS

The Board considers that the ordinary resolutions to be proposed at the EGM are in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the EGM.

7. GENERAL

Your attention is drawn to the additional information set out in the Appendix to this circular.

8. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

Article 72 of the Articles of Association sets out the following procedure by which Shareholders may demand a poll.

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded. A poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) any Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent. (5%) or more of the total voting rights at such meeting.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Starch Holdings Limited (the “**Company**”) will be held at 10:45 a.m. on 16 May 2008 (Friday) at Taishan Mountain Room, Wuzhou Guest House, No. 6001 Shennan Road, Shenzhen, The People’s Republic of China, immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 10:00 a.m. on the same day and at the same place, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification):

1. “**THAT** upon the recommendation of the directors (the “**Directors**”) of the Company and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution below) to be issued pursuant to this resolution:
 - (a) an amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new ordinary shares (the “**Shares**”) of HK\$0.10 par value each in the capital of the Company, such Shares, credited as fully paid, to be allotted and distributed (subject as referred to in paragraph (b) below) among members of the Company whose names appear on the register of members of the Company on 16 May 2008 (Friday) (the “**Record Date**”) in the proportion of four new Shares (the “**Bonus Shares**”) for every one existing Share then held, be capitalised and applied in such manner and the Directors be and are hereby authorised to allot and issue such Bonus Shares;
 - (b) no fractional Bonus Shares shall be allotted to members of the Company and fractional entitlements (if any) will be aggregated and sold and the benefit accrued for the Company;
 - (c) the Bonus Shares to be issued pursuant to paragraph (a) above shall rank pari passu in all respects with the existing issued and unissued Shares as at the date of issue of such Bonus Shares except that they will not be entitled to the proposed dividend of the Company for the financial year ended 31 December 2007 nor rank for the Bonus Issue; and

NOTICE OF EGM

- (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares referred to in paragraph (a) of this resolution, including but not limited to determining the amount to be capitalised out of the share premium account and the number of Bonus Shares to be allotted and distributed in the manner referred to in paragraph (a) of this resolution. ”
2. “**THAT** conditional upon the passing of resolution numbered (1) above, the authorised share capital of the Company be and is hereby increased from HK\$100,000,000 comprising 1,000,000,000 ordinary shares (each a “**Share**” and together, the “**Shares**”) of par value of HK\$0.10 each in the capital of the Company to HK\$1,000,000,000 comprising 10,000,000,000 Shares by the creation of an additional 9,000,000,000 Shares, such additional Shares to rank pari passu in all respects with the existing issued and unissued Shares.”

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

Hong Kong, 29 April 2008

Registered office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Room 2408, 24th Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF EGM

Notes:

1. CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

In order to determine entitlement of shareholders to the Company to the Bonus Issue, as well as the right to attend and vote at the EGM, the register of members of the Company will be closed from 14 May 2008 (Wednesday) to 16 May 2008 (Friday) (both days inclusive), during which period no transfer of Shares will be effected.

All transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on 13 May 2008 (Tuesday).

Subject to the approval of the ordinary resolutions by the shareholders to the Company at the EGM, the certificates for the Bonus Shares is expected to be despatched on 23 May 2008 (Friday).

2. A form of proxy for use at the EGM is being despatched to the shareholders of the Company together with a copy of this EGM notice.
3. A member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company.
4. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Shares shall alone be entitled to vote in respect thereof.
5. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM or any adjournment thereof.
6. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this notice, 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.