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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, 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 eleven months ended 30 November 2013 (the “**Period**”), there was a substantial decline in the Group’s net profit in the Period as compared with that for the corresponding period in 2012 (the “**Corresponding Period**”), despite the stable turnover of the Group for the Period when compared with that for the Corresponding Period. The Board noticed that the cornstarch and lysine market was in deep recession in 2013. While the cost of corn kernel was relatively stable during the Period, the selling prices of cornstarch and lysine were continuously suppressed by the stagnant market and have decreased as compared with those of the Corresponding Period, which have attributed to the decline in net profit of the Group for the Period.

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 by the Company’s auditors. As such, the actual financial results of the Group for the financial year ending 31 December 2013 may be different from what is disclosed in this announcement.

Despite the expected decline in operating profit of the Group for the financial year ending 31 December 2013 due to the reasons as mentioned, the Board considers that the position of the Group remains sound and healthy and the Board is positive on the long term prospect of the Group.

**Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the financial year ending 31 December 2013 which is expected to be published in or around March 2014.**

**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*

Shouguang, the People's Republic of China, 30 December 2013

*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. Yu Yingquan*

*Mr. Liu Xianggang*

***Independent non-executive Directors:***

*Mr. Yue Kwai Wa, Ken*

*Mr. Chen Zhijun*

*Mr. Sun Mingdao*