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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)

POSITIVE PROFIT ALERT

This announcement is made by China Starch Holdings Limited (the “**Company**”, 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 of directors (the “**Board**”) 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 six months ended 30 June 2017, the Group is expected to record a substantial increase in net profit for the six months ended 30 June 2017 of more than 100% as compared with the corresponding period in 2016. The expected increase in the net profit of the Group for the six months ended 30 June 2017 is mainly attributable to the combined factors of, among other things,

- (i) an increase in the sale and gross profit margin in fermented and downstream products;
and
- (ii) an increase in other income mainly arising from the government subsidy of approximately RMB74 million received by the Group for the compensation of losses incurred during the relocation of the old production plant in Shouguang.

The information contained in this announcement is the preliminary assessment of the Board based solely on the information of the Group currently available to the Board, including but not exclusively, the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017, which are subject to finalisation and where necessary, adjustments, and have not been audited or reviewed by the Company's auditors or the audit committee of the Board. As such, the financial results of the Group for the six months ended 30 June 2017 may be different from what is disclosed in this announcement. The unaudited interim results of the Group for the six months ended 30 June 2017 will be announced no later than August 2017.

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

By order of the Board
CHINA STARCH HOLDINGS LIMITED
Gao Shijun
Chief Executive Officer

Shouguang, The People's Republic of China, 17 July 2017

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:

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