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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 its shareholders (the “**Shareholders**”) 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 2024 (the “**Period**”), the Group is expected to record a profit before taxation of approximately RMB350,000,000, as compared to a loss before taxation of approximately RMB38,300,000 for the corresponding period in 2023.

The Board believes that the aforesaid turnaround from the Group’s loss before taxation for the corresponding period in 2023 to profit before taxation for the Period is mainly attributable to the following factors:

- (i) the market sentiment for cornstarch and lysine, our two major products, has shown recovery;

- (ii) subsequent to the completion of expansion of the Group's lysine production facilities in 2023, the Group has recorded a remarkable growth in production and sales volume of lysine products during the Period; and
- (iii) the market price of corn kernel during the Period was substantially lower than the corresponding period in 2023.

Although the Group is expected to record a satisfactory result for the Period, the Board has a cautious business outlook on the second half of 2024.

The information contained in this announcement is only a preliminary assessment by the Board mainly based on the unaudited consolidated management accounts of the Group for the Period with reference to information currently available, and is not based on any figures or information which have been reviewed or confirmed by the audit committee of the Board, or reviewed or audited by the auditors of the Company. The actual results of the Group for the Period may differ from those as disclosed in this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and read carefully the announcement of the interim results of the Group for the Period, which is expected to be published in August 2024.

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

Shouguang, The People's Republic of China, 19 July 2024

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