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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board (the “Board”) of directors (the “Directors”) of China Starch Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2022	2021
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	5,814,428	5,699,494
Cost of sales		<u>(5,088,949)</u>	<u>(5,306,279)</u>
Gross profit		725,479	393,215
Distribution expenses		(85,501)	(91,532)
Administrative expenses		(104,325)	(97,934)
Research expenses		(151,496)	(22,607)
Other net income	4	<u>61,049</u>	<u>42,509</u>

		Six months ended 30 June	
		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Operating profit		445,206	223,651
Finance income		8,453	1,664
Finance expenses		(1,005)	(5,600)
		<hr/>	<hr/>
Profit before income tax	5	452,654	219,715
Income tax expense	6	(87,959)	(45,008)
		<hr/>	<hr/>
Profit and total comprehensive income for the period		<u>364,695</u>	<u>174,707</u>
Attributable to:			
Owners of the Company		262,330	149,223
Non-controlling interests		102,365	25,484
		<hr/>	<hr/>
		<u>364,695</u>	<u>174,707</u>
Earnings per share attributable to owners of the Company			
Basic and diluted earnings per share (<i>RMB</i>)	7	<u>0.0438</u>	<u>0.0249</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June	31 December
	2022	2021
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,969,238	2,004,318
Right-of-use assets	441,646	447,167
Deposits for acquisition of property, plant and equipment	–	17,555
Deposits for acquisition of right-of-use assets	9,800	–
Investments in equities	9,564	1,564
Deferred tax assets	72,536	50,907
	2,502,784	2,521,511
	2,502,784	2,521,511
Current assets		
Inventories	1,110,032	602,314
Trade and other receivables	<i>9</i> 745,783	594,357
Security deposits	6,513	–
Cash and cash equivalents	792,185	1,000,977
	2,654,513	2,197,648
	2,654,513	2,197,648
Total assets	5,157,297	4,719,159

		30 June	31 December
		2022	2021
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital		532,500	532,500
Other reserves		408,274	408,274
Retained earnings		2,564,637	2,337,189
		3,505,411	3,277,963
Non-controlling interests		228,660	214,059
Total equity		3,734,071	3,492,022
LIABILITIES			
Non-current liabilities			
Deferred income		283,044	259,411
Deferred tax liabilities		75,764	70,554
Borrowings		3,000	3,000
Total non-current liabilities		361,808	332,965
Current liabilities			
Trade and other payables	<i>10</i>	350,647	416,302
Advances from customers		373,681	269,909
Borrowings		189,383	108,176
Income tax payable		88,833	75,606
Dividend payable		34,882	–
Employee housing deposits		23,871	23,741
Lease liabilities		121	438
Total current liabilities		1,061,418	894,172
Total liabilities		1,423,226	1,227,137
Total equity and liabilities		5,157,297	4,719,159

Notes:

1 BASIS OF PREPARATION

The condensed consolidated interim financial statements of China Starch Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) for the six months ended 30 June 2022 have been prepared in accordance with the disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the audited financial statements for the year ended 31 December 2021 (the “2021 Financial Statements”), except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. The condensed consolidated interim financial statements should be read in conjunction with the 2021 Financial Statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

Unless otherwise stated, these condensed consolidated interim financial statements are presented in Renminbi (“RMB”). The condensed consolidated interim financial statements have been prepared on the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value.

2 ADOPTION OF NEW/REVISED HKFRSs

In 2022, the Group has adopted the following amendments to HKFRSs which are pertinent to the Group’s operations and effective for accounting periods beginning on or after 1 January 2022. The adoption of these amendments does not have any impact to the results and financial position of the Group.

Amendments to HKAS 16	Property, plant and equipment: Proceeds before intended use
Amendments to HKAS 37	Onerous contracts – Cost of fulfilling a contract
Amendments to HKFRS	Annual improvements to HKFRSs 2018 – 2020 cycle
Amendments to HKFRS 3	Reference to the conceptual framework

3 SEGMENT INFORMATION

	Six months ended 30 June 2022		
	Upstream	Fermented and downstream	Total
	products <i>RMB'000</i>	products <i>RMB'000</i>	
Sales to external customers	4,132,319	1,682,109	5,814,428
Inter-segment sales	<u>78,349</u>	<u>–</u>	<u>78,349</u>
Reportable segment results	222,092	283,666	505,758
Unallocated income			4,288
Unallocated expenses			(64,840)
Finance income			8,453
Finance expenses			<u>(1,005)</u>
Profit before income tax			<u><u>452,654</u></u>

	Six months ended 30 June 2021		
	Upstream	Fermented and downstream	Total
	products <i>RMB'000</i>	products <i>RMB'000</i>	
Sales to external customers	4,265,468	1,434,026	5,699,494
Inter-segment sales	<u>151,880</u>	<u>–</u>	<u>151,880</u>
Reportable segment results	238,945	141,953	380,898
Unallocated income			24,914
Unallocated expenses			(182,161)
Finance income			1,664
Finance expenses			<u>(5,600)</u>
Profit before income tax			<u><u>219,715</u></u>

4 OTHER NET INCOME

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation of government grants	41,276	31,949
Gain on sale of scrap material	10,373	8,520
Gain on disposals of property, plant and equipment	7,462	59
Gain on futures contracts	639	–
Net foreign exchange gain/(loss)	100	(1,123)
Government grant	90	2,164
Others	1,109	940
	<u>61,049</u>	<u>42,509</u>

5 PROFIT BEFORE INCOME TAX

The major expenses of the Group are as follows:

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other related expenses	125,578	109,981
Depreciation of property, plant and equipment	134,266	123,752
Depreciation of right-of-use assets	5,521	5,431
Delivery and logistics	70,794	79,985
Research expenses (<i>note</i>)	151,496	22,607
	<u>151,496</u>	<u>22,607</u>

Note:

Research expenses include staff costs and depreciation, which are included in the above respective expenses, in the Research and Development Department of the Group.

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Current income tax		
– PRC Enterprises Income Tax (“EIT”)	104,378	32,079
– Under-provision in prior years	–	30
Deferred tax	<u>(16,419)</u>	<u>12,899</u>
	<u>87,959</u>	<u>45,008</u>

The Group’s major business is in the PRC. Under the law of the PRC on EIT and its Implementation Regulation, the tax rate of the PRC subsidiaries is 25% for both periods, except for one subsidiary of the Group which is recognised as high technology enterprise is entitled to enjoy a preferential EIT rate of 15% (2021:15%).

No provision for Hong Kong Profits Tax has been made as the Group entities’ profit neither arose in nor was derived from Hong Kong during both periods.

7 EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2022	2021
Profit attributable to owners of the Company (RMB'000)	262,330	149,223
Weighted average number of ordinary shares in issue (thousands)	<u>5,994,132</u>	<u>5,994,132</u>

No diluted earnings per share has been presented because no dilutive potential ordinary shares exist for both six months ended 30 June 2022 and 2021.

8 DIVIDENDS

The Board does not recommend the payment of an interim dividend for six months ended 30 June 2022 (2021: nil).

On 24 May 2022, the shareholders of the Company approved to declare a final dividend of HK0.69 cents per share for 2021 (HK0.90 cents for 2020).

9 TRADE AND OTHER RECEIVABLES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Trade receivables	191,671	147,249
Bank acceptance bills	272,878	204,407
Prepayments and other tax receivables	273,958	235,078
Others	7,276	7,623
	<u>745,783</u>	<u>594,357</u>

The carrying amounts of trade and other receivables are mainly denominated in RMB.

The Group normally grants credit period ranging from 0 to 150 days (31 December 2021: 0 to 150 days) to customers.

At the end of the reporting period, the ageing analysis of trade receivables based on the invoice date is as follows:

	30 June 2022 RMB'000	31 December 2021 RMB'000
0 – 30 days	161,364	136,162
31 – 60 days	21,325	6,361
61 – 90 days	3,755	2,927
Over 90 days	5,227	1,799
	<u>191,671</u>	<u>147,249</u>

No loss allowance of trade receivables is recognised as at 30 June 2022 and 31 December 2021.

At the end of the reporting period, the bank acceptance bills consist of:

	30 June 2022 RMB'000	31 December 2021 RMB'000
Bills on hand	54,365	124,599
Endorsed bills	37,682	79,808
Discounted bills	<u>180,831</u>	<u>–</u>
	<u>272,878</u>	<u>204,407</u>

The bank acceptance bills are normally with maturity period of 180 days (31 December 2021: 180 days). There is no recent history of default on bank acceptance bills.

As at 30 June 2022, bank acceptance bills of RMB4,745,000 (31 December 2021: RMB8,428,000) were pledged to banks for securing bills payables.

10 TRADE AND OTHER PAYABLES

	30 June 2022 RMB'000	31 December 2021 RMB'000
Trade payables	176,976	187,347
Bills payables	<u>4,745</u>	<u>8,428</u>
Total trade and bills payables	181,721	195,775
Payable for construction and equipment	62,622	91,715
Accrued expenses	34,774	53,300
Payroll and welfare payables	33,909	25,652
Other tax payables	6,052	18,072
Earnest money	18,228	22,504
Sales commission	3,216	3,364
Others	<u>10,125</u>	<u>5,920</u>
	<u>350,647</u>	<u>416,302</u>

As at 30 June 2022, bills payables are secured by bank acceptance bills of RMB4,745,000 (31 December 2021: RMB8,428,000) (note 9).

The following is the ageing analysis for the trade and bills payables based on invoice date at the end of the reporting period:

	30 June	31 December
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 60 days	132,665	117,635
61 – 90 days	1,527	28,764
Over 90 days	47,529	49,376
	<u>181,721</u>	<u>195,775</u>

The average credit period on purchases is 80 days (31 December 2021: 80 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The carrying amounts of trade and other payables are mainly denominated in RMB.

11 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 2 July 2022, the Company obtained a new borrowing of HK\$16,000,000 provided by Merry Boom Group Limited, a controlling shareholder of the Company. The new borrowing was unsecured and carried at a one-month Hong Kong Interbank Offered Rate. There was no financial covenant imposed by Merry Boom.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW AND COMPANY DEVELOPMENT

The Group recorded a satisfactory result for the six months ended 30 June 2022 with substantial growth in profit. Firstly, the Group's revenue was supported by the strong market demand brought forward from 2021. Particularly the strong demand from animal feed manufacturers induced a substantial increase in the market prices of certain corn derivative products and lysine products. Secondly, the unpredictable delivery issue between cities encouraged our customers to stockpile more raw materials and accept a higher ex-godown price. Thirdly, the global commodity prices, including that of grain, increased substantially during the period under review. The increase in the selling prices of some of our products was able to compensate the increase in the costs of raw materials. Therefore, the Group was able to maintain the profit margins for the period under review.

The management team expects that the cornstarch and corn-refinery industry will continue to consolidate in the future. Our superior product quality, competitive prices and increased commitment to research and development would help us to maintain a leading position in the industry.

The Group is delighted that the expansion of new lactic acid production facilities was materially completed in May 2022. The Group started the trial production of lactic acid in May 2022. The annual production capacity of lactic acid of the Group is expected to be 20,000 tonnes in the third quarter of 2022.

In addition, the Group has a leap in the selection of production site for our joint venture company (Shouguang Juneng Musashino Biotechnology Co., Ltd, or the "JV Company"). The management team will work together with the local government on the acquisition procedure of this land. As of 30 June 2022, the JV company did not acquire any land. In view of many unpredictable factors during the COVID-19 pandemic, the management team has not set any completion target for this joint venture project. Further announcement(s) will be made as and when appropriate in compliance with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In order to minimise the risk of spreading COVID-19 inside the production facilities, the Group further strengthened the crowd control and anti-epidemic measures during the period. As a result, our production was not affected during the period.

BUSINESS REVIEW

Upstream products

The upstream products include cornstarch, corn gluten meal, corn fibre, corn germ and corn slurry. These products are grouped as a business segment because they are extracted from corn kernels directly.

However, the applications of these products are different. Corn gluten and corn fibre are used for the production of animal feeds. Corn germ can be extracted for oil. Corn germ meal (the by-product after oil extraction) can also be used for the production of animal feeds. During the period under review, the overall animal feed demand was satisfactory in the domestic market. In addition, the prices of corn germ and corn germ meal have close relationships with the price movement of soybean oil and soybean meal. The increase in international soy prices supported not only the prices of soy derivative products but also corn derivative products.

Cornstarch is a base material with thousands of applications. The market demand for cornstarch would be generally affected by the economic performance and anti-epidemic measures.

Fermented and downstream products

Lysine could be used for the production of animal feeds. The positive effects of (i) the reduction in the global supply of lysine products and (ii) the strong demand in the animal feed market supported the selling price of lysine products. During the period under review, there was a strong demand for lysine in the domestic market.

Starch-based sweetener was still affected by the excessive production capacity problem in the PRC. During the period under review, the Group spent much effort to expand our market share.

The Group enjoyed fruitful results for lysine and starch-based sweetener businesses. However, the market momentum has started to vanish since June 2022.

Modified starch was still affected by the city's sewage reduction measures. Therefore, the Group recorded a significant decrease in sales volume.

The business performance of new biobased material was stable during the period under review. As we consider that we are a new participant in this business and are still in the stage of initial investment, we will allocate more resources to research and development activities in order to obtain more know-how and production experience.

FINANCIAL PERFORMANCE

Overview

Revenue of the Group increased slightly to RMB5,814,428,000 (2021: RMB5,699,494,000) during the period under review. As a result of the increase in the selling price of some of the Group's products and the reduction in the Group's production costs in light of the continuous improvement in production efficiency, the Group recorded a significant increase in gross profit margin. Gross profit increased substantially by 84.5% to RMB725,479,000 (2021: RMB393,215,000).

Profit before taxation increased substantially by 106.0% to RMB452,654,000 (2021: RMB219,715,000). Profit after taxation increased substantially by 108.7% to RMB364,695,000 (2021: RMB174,707,000). Basic earnings per share of the Company for the period ended 30 June 2022 was RMB0.0438 per share based on the weighted average number of 5,994,132,000 ordinary shares (2021: RMB0.0249 per share based on the weighted average number of 5,994,132,000 ordinary shares).

SEGMENT PERFORMANCE

Upstream products

	For the six months ended 30 June	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Revenue	4,132,319	4,265,468
Gross profit	268,389	230,999
Gross profit margin	<u>6.5%</u>	<u>5.4%</u>

Revenue of upstream products decreased slightly to approximately RMB4,132,319,000 (2021: RMB4,265,468,000). The sales volume of cornstarch, our major product, decreased slightly to 927,221 tonnes (2021: 949,916 tonnes). The average selling price of cornstarch decreased slightly by 3.1% to about RMB2,936 (2021: RMB3,029) per tonne.

On the other hand, the selling price of the raw materials for the production of animal feeds (including corn gluten meal and corn fibre) were stable or even increased as a result of the strong demand for animal feeds. Corn germ is another by-product which can be used for the production of cooking oil, and the increase in the selling price of corn germ outweighed the effect of the reduction in sales volume during the period under review.

Gross profit margin of upstream products increased from approximately 5.4% to 6.5% because the sales performance for corn derivative products (such as corn germ and corn gluten meal) was good and the unit production cost was reduced by the use of more automated production machinery.

Fermented and downstream products

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
– Lysine	1,275,857	972,379
– Starch-based sweetener	285,148	251,770
– Modified starch	94,541	185,335
– Others	26,563	24,542
	<hr/>	<hr/>
Total	<u>1,682,109</u>	<u>1,434,026</u>
Gross profit	457,090	162,216
Gross profit margin	<u>27.2%</u>	<u>11.3%</u>

The financial performance for the fermented and downstream products was satisfactory. Revenue of this business segment increased to RMB1,682,109,000 (2021: RMB1,434,026,000). Gross profit margin increased from approximately 11.3% to 27.2% and achieved RMB457,090,000 (2021: RMB162,216,000).

Revenue of lysine products was RMB1,275,857,000 (2021: RMB972,379,000). During the period under review, the Group recorded a substantial increase in the selling price of lysine products. The average selling price of lysine products increased substantially to RMB8,344 (2021: RMB6,762) per tonne. Sales volume for lysine products was about 152,910 tonnes (2021: 143,803 tonnes).

Revenue of starch-based sweetener was RMB285,148,000 (2021: RMB251,770,000). During the period under review, the liquid starch-based sweetener became our major product, which represented about 77.2% (2021: 59.2%) of sales volume. As the average selling price of liquid starch-based sweetener was lower than the crystallised starch-based sweetener, the average selling price of starch-based sweetener decreased. However, this change did not compromise our profitability as the liquid starch-based sweetener did not require the process of crystallisation, hence consumed less energy and led to a lower cost of production. The average selling price and sales volume of starch-based sweetener for the period ended 30 June 2022 was approximately RMB2,154 per tonne and 132,384 tonnes (2021: RMB2,821 per tonne and 89,233 tonnes) respectively.

Revenue of modified starch decreased to RMB94,541,000 (2021: RMB185,335,000).

Revenue of other fermented and downstream products was RMB26,563,000 (2021: RMB24,542,000).

Cost of sales

The Group's major cost of sales were corn kernels, electricity and steam expenses. The average corn kernel cost was approximately RMB2,528 per tonne (2021: RMB2,613 per tonne) (net of value added tax). In fact, the Group had recorded an increase in the average purchase price of corn kernel for six consecutive months since December 2021.

The Group did not enter into any forward/futures contract to hedge the price fluctuation of corn kernel during the period under review.

REVIEW OF OTHER OPERATIONS

Distribution and administrative expenses

During the period under review, distribution expenses decreased to RMB85,501,000 from RMB91,532,000. The substantial reduction in our delivery expenses was mainly attributable to the use of bulk cargo delivery and more customers picking up our goods at our warehouses.

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Distribution expenses:		
Delivery and logistic	70,794	79,985
Marketing expenses	7,200	6,906
Staff costs	4,133	3,367
Others	3,374	1,274
	<u>85,501</u>	<u>91,532</u>

During the period under review, administrative expenses increased significantly to RMB104,325,000 from RMB97,934,000. The increase was mainly attributable to the increase in staff costs and government levies.

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Administrative expenses:		
Staff costs	53,168	51,585
Government levies	18,358	11,774
Depreciation and amortisation	16,311	16,204
Others	16,488	18,371
	<u>104,325</u>	<u>97,934</u>

Research expenses

During the period under review, research expenses increased substantially to RMB151,496,000 from RMB22,607,000. Research expenses mainly consisted of material costs used for research projects. The Group has shown our strong commitment to research and development activities. The management might use the result to develop new products, change our production method or explore new production techniques depending on the prevailing market conditions in the future.

Other net income

Other net income increased significantly to approximately RMB61,049,000 (2021: RMB42,509,000) during the period under review. The major items of other net income are set out below:

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation of government grants	41,276	31,949
Gain on sales of scrap materials	10,373	8,520
Gain on disposals of property, plant and equipment	7,462	59
Gain on futures contracts	639	–
Net foreign exchange gain/(loss)	100	(1,123)
Government grants (one-off)	90	2,164
Others	1,109	940
	61,049	42,509

Liquidity, financial resources and capital structure

The key financial performance indicators are summarised as follows:

	Units	30 June 2022	31 December 2021
Debtors turnover	days	13	14
Creditors turnover	days	7	7
Inventories turnover	days	30	24
Current ratio	times	2.6	2.5
Quick ratio	times	1.5	1.8
Gearing ratio – borrowings to total assets	%	<u>3.7</u>	<u>2.4</u>

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. As at 30 June 2022, most of the borrowings of the Group were short-term borrowings. The aggregated bank borrowings and other borrowings of RMB183,831,000 were denominated in Renminbi and were carried interest at fixed rates. The loan from a controlling shareholder of RMB8,552,000 was denominated in Hong Kong Dollar and was carried interest at a floating rate. The Group's cash and cash equivalents were mostly denominated in Renminbi.

Human resources and remuneration policies

As at 30 June 2022, the Group had 2,392 (2021: 2,327) staff. Total staff costs, including directors' emoluments, for the six months ended 30 June 2022 were approximately RMB125,578,000 (2021: RMB109,981,000). The Company's remuneration policy has remained unchanged since our 2021 Annual Report. As at 30 June 2022, no share options have been granted under the Company's share option scheme.

Financial management, treasury policy and foreign currency exposure

The Group's financial management, treasury policy and foreign currency exposure had not been materially changed since the information disclosed in our 2021 Annual Report.

Pledge of assets

As at 30 June 2022, bills payables were secured by bank acceptance bills of RMB4,745,000.

The Group did not pledge any land use rights and building to secure banking facilities as at 30 June 2022.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2022.

Significant investments

The Group did not have any significant investments or any future plans for material investments or capital assets as at 30 June 2022.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2022 (2021: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE

During the six months ended 30 June 2022, the Company had complied with the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules and had applied the principles as laid down with the aim of achieving a high level of governance, except that Mr. Tian Qixiang (the chairman of the Board) did not attend the 2022 annual general meeting because of his other business engagement.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022.

INTERIM REPORT

The 2022 Interim Report will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company (www.chinastarch.com.hk) by the end of September 2022.

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

Shouguang, The People's Republic of China, 26 August 2022

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