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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 2024

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 2024, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2024	2023
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	3	5,645,514	5,814,323
Cost of sales		<u>(5,138,334)</u>	<u>(5,639,076)</u>
Gross profit		507,180	175,247
Distribution expenses		(82,218)	(82,360)
Administrative expenses		(96,206)	(98,603)
Research expenses		(43,689)	(94,056)
Other net income	4	<u>57,416</u>	<u>54,037</u>
Operating profit/(loss)		342,483	(45,735)
Finance income		15,133	8,132
Finance expenses		<u>(2,322)</u>	<u>(697)</u>
Profit/(loss) before income tax	5	355,294	(38,300)
Income tax (expense)/credit	6	<u>(87,812)</u>	<u>9,341</u>
Profit/(loss) and total comprehensive income/(expenses) for the period		<u><u>267,482</u></u>	<u><u>(28,959)</u></u>
Attributable to:			
Owners of the Company		214,659	(37,754)
Non-controlling interests		<u>52,823</u>	<u>8,795</u>
		<u><u>267,482</u></u>	<u><u>(28,959)</u></u>
Earnings/(loss) per share			
Basic and diluted (RMB)	7	<u><u>0.0360</u></u>	<u><u>(0.0063)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June	31 December
		2024	2023
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		2,080,150	2,162,498
Right-of-use assets		420,737	425,922
Deposits for acquisition of property, plant and equipment		26,620	29,909
Equity investments		21,954	21,954
Deferred tax assets		–	14,719
Prepayment		398	–
		<hr/>	<hr/>
Total non-current assets		2,549,859	2,655,002
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Current assets			
Inventories		920,940	730,676
Trade and other receivables	9	674,641	563,697
Income tax recoverable		–	3,365
Pledged bank deposits		199,727	500,056
Cash and cash equivalents		1,094,537	899,830
		<hr/>	<hr/>
Total current assets		2,889,845	2,697,624
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Total assets		5,439,704	5,352,626
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EQUITY			
Equity attributable to owners of the Company			
Share capital		529,868	530,230
Other reserves		473,149	473,149
Retained earnings		2,835,359	2,658,450
		<hr/>	<hr/>
		3,838,376	3,661,829
Non-controlling interests		310,672	274,724
		<hr/>	<hr/>
Total equity		4,149,048	3,936,553
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LIABILITIES			
Non-current liabilities			
Deferred income		181,164	164,751
Deferred tax liabilities		86,743	58,948
		<hr/>	<hr/>
Total non-current liabilities		267,907	223,699
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	<i>Notes</i>	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Current liabilities			
Trade and other payables	<i>10</i>	492,135	433,655
Advances from customers		382,285	175,490
Borrowings		73,316	559,365
Income tax payable		13,588	–
Dividend payable		37,561	–
Employee housing deposits		23,864	23,864
		<hr/>	<hr/>
Total current liabilities		1,022,749	1,192,374
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Total liabilities		1,290,656	1,416,073
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		5,439,704	5,352,626
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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 2024 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 2023 (the “2023 Financial Statements”), except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. The condensed consolidated interim financial statements should be read in conjunction with the 2023 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 2024, 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 2024. The adoption of these amendments does not have any impact to the results and financial position of the Group.

Amendments to HKAS 1	Classification of liabilities as current or non-current and the related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current liabilities with covenants
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements
Amendments to HKFRS 16	Lease liability in a sale and leaseback

3 SEGMENT INFORMATION

	Six months ended 30 June 2024		
	Upstream products RMB'000	Fermented and downstream products RMB'000	Total RMB'000
Sales to external customers	3,524,090	2,121,424	5,645,514
Inter-segment sales	1,157,349	–	1,157,349
Reportable segment results	98,337	255,951	354,288
Unallocated income			17,320
Unallocated expenses			(29,125)
Finance income			15,133
Finance expenses			(2,322)
Profit before income tax			355,294
	Six months ended 30 June 2023		
	Upstream products RMB'000	Fermented and downstream products RMB'000	Total RMB'000
Sales to external customers	4,349,545	1,464,778	5,814,323
Inter-segment sales	731,429	–	731,429
Reportable segment results	(93,324)	58,500	(34,824)
Unallocated income			20,077
Unallocated expenses			(30,988)
Finance income			8,132
Finance expenses			(697)
Loss before income tax			(38,300)

4 OTHER NET INCOME

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amortisation of government grants	38,977	40,866
Gain on sale of scrap material	14,611	7,836
Net foreign exchange gain	4,265	1,505
(Loss)/gain on disposals of property, plant and equipment	(512)	1,962
Government grant	131	148
Gain on futures	333	13
Others	(389)	1,707
	<u>57,416</u>	<u>54,037</u>

5 PROFIT/(LOSS) BEFORE INCOME TAX

The major expenses of the Group are as follows:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories	4,465,085	5,560,092
Salaries and other related expenses	136,605	139,483
Depreciation of property, plant and equipment	136,663	138,588
Depreciation of right-of-use assets	5,185	5,185
Delivery and logistics	65,622	66,939
Research expenses (<i>note</i>)	43,689	94,056
	<u>43,689</u>	<u>94,056</u>

Note:

Research expenses include cost of inventories, 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/(CREDIT)

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– PRC Enterprises Income Tax (“EIT”)	45,298	6,325
– Over-provision in prior years	–	(14,156)
Deferred tax	42,514	(1,510)
	<u>87,812</u>	<u>(9,341)</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% (2023:15%).

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/(LOSS) 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	
	2024	2023
Profit/(loss) attributable to owners of the Company (RMB'000)	214,659	(37,754)
Weighted average number of ordinary shares in issue (thousands)	<u>5,965,532</u>	<u>5,994,132</u>

No diluted earnings/(loss) per share has been presented because no dilutive potential ordinary shares exist for both six months ended 30 June 2024 and 2023.

8 DIVIDENDS

The Board does not recommend the payment of an interim dividend for six months ended 30 June 2024 (2023: nil).

On 21 May 2024, the shareholders of the Company approved to declare a final dividend of HK0.69 cents per share for 2023 (2023: HK0.69 cents for 2022).

9 TRADE AND OTHER RECEIVABLES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade receivables	196,845	136,797
Bank acceptance bills	340,216	266,487
Prepayments and other tax receivables	127,311	149,336
Others	<u>10,269</u>	<u>11,077</u>
	<u>674,641</u>	<u>563,697</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 2023: 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 2024 RMB'000	31 December 2023 RMB'000
0-30 days	190,091	127,923
31-60 days	6,171	7,479
61-90 days	571	123
Over 90 days	<u>12</u>	<u>1,272</u>
	<u>196,845</u>	<u>136,797</u>

No loss allowance of trade receivables is recognised as at 30 June 2024 and 31 December 2023.

10 TRADE AND OTHER PAYABLES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade payables	95,436	132,443
Bills payables	193,000	4,000
	<hr/>	<hr/>
Total trade and bills payables	288,436	136,443
Payable for construction and equipment	88,481	177,975
Accrued expenses	45,138	40,258
Payroll and welfare payables	33,806	27,307
Tender deposits	18,532	18,659
Other tax payables	9,375	14,287
Sales commission	1,727	2,995
Others	6,640	15,731
	<hr/>	<hr/>
	492,135	433,655
	<hr/> <hr/>	<hr/> <hr/>

As at 30 June 2024, bills payables are secured by pledged bank deposit of RMB193,000,000. As at 31 December 2023, bills payables were secured by bank acceptance bills of RMB4,000,000 (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 2024 RMB'000	31 December 2023 RMB'000
0–60 days	266,768	107,164
61–90 days	2,563	1,051
Over 90 days	19,105	28,228
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	288,436	136,443
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The average credit period on purchases is 80 days (31 December 2023: 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.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW AND COMPANY DEVELOPMENT

Overview

The Group had a good half year performance in 2024 as the overall business environment turned around for the cornstarch and lysine markets. We observed that the markets in 2024 would absorb the excessive supply of cornstarch and lysine products as compared to last year. Benefiting from the substantial increase in the production volume of lysine products after the completion of the expansion project in our Shouguang production facilities in 2023, the management has confidence that the sales volume for lysine for the year ending 2024 will achieve a new record.

The Company has expressed our strong commitment to becoming a leading market player in the industry since our incorporation. Our competent management team understands that big things have small beginnings and every tiny change counts. We have been keeping our eye on lifting the product output ratio and have spent resources on expanding production capacity for many years. We aim to optimise our starch and high-end product production capacity to achieve a competitively low production unit cost.

This year, one of our major goals is to improve our production efficiency. During the period under review, the major measures adopted by the Group are as follows:

The Group increased our sewage treatment capacity in Shouguang production facilities. In addition, we also renovated the reclaimed water pipeline to stabilise the operation of the reclaimed water treatment in Linqing production facilities. These measures successfully increased our reclaimed water processing ability and reduced the reclaiming cost.

We had strict control on salaries by controlling staff headcounts. We reviewed the job description for every vacancy and resolved such vacancies by job reorganisation.

We also performed a large-scale study to analyse production capacity for individual equipment for optimising and enhancing operational efficiency of our equipment.

Utilities expenses account for the second largest production cost of the Group. To reduce such cost burden, the Group has upgraded our equipment by replacing high energy-consuming devices with lower-load equipment to reduce electricity consumption. The Group has also optimised the existing waste heat recovery systems to reduce fuel consumption.

Our other project under Shouguang Juneng Musashino Biotechnology Co., Ltd. for the development of lactate production facilities with our joint venture partner was still in progress. We still work closely with the local government on the selection of an appropriate production site. 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.

BUSINESS REVIEW

Upstream products

The market atmosphere for upstream products turned around during the period under review. Although the market prices for cornstarch and its by-products during the period under review was lower than that of the prices in the corresponding period in 2023, the Group still recorded an increase in profit margin under this business segment because of the substantial decrease in corn kernel price during the period. As a result of the decrease in the market prices for cornstarch and its by-products, these products restored attractiveness to the end-users. The market demand for cornstarch and its by-products regained its market share from other replaceable materials derived from soybean, wheat and other grains.

The management believes that the overall domestic demand for cornstarch would still be affected by the stagnant economic environment and the performance of this business segment would be affected by the raw material costs in the short run.

Fermented and downstream products

During the period under review, the domestic lysine market was still affected by the oversupply problem. In addition, there was still sluggish domestic demand for the animal feed and breeding industry. The Group recorded a substantial growth in the turnover of lysine products, which resulted from the expansion of overseas markets. The export volume during the period under review was about 45,708 tonnes as compared to 23,204 tonnes during the first half of 2023. The management expected the lysine price would remain relatively low for the year ending 2024 because of the potential release of new supplies from other market players. The management would monitor the market conditions closely and adjust our product combination and production schedule accordingly.

During the period under review, the Group had a slightly improvement in profitability under starch-based sweetener business because of an increase in the market price for starch-based sweetener. The market demand from the beverage sector will remain strong for the third quarter of 2024 as hot weather is expected to continue during summer months.

Modified starch business recorded growth in both sales volume and selling price during the period under review. The increase in the sales volume of modified starch was mainly attributable to the improvement in our sewage processing capacity. In addition, the Group also benefited from a decrease in corn kernel price which led to an increase in profit margin for various modified starch products.

Sales of new biobased materials was temporarily affected by the customer's relocation project during the period under review. The management expected such sales will be resumed in the second half of 2024.

FINANCIAL PERFORMANCE

Overview

During the period under review, the Group's revenue reduced to RMB5,645,514,000 (2023: RMB5,814,323,000). Such decrease in turnover was mainly attributable to the decrease in average selling prices of our products. In the meantime, the cost of corn kernel, which was the major raw material for production, recorded its lowest level since 2021. As the extent of decrease in raw material costs was greater than that of decrease in the selling prices of products during the period under review, the Group recorded a significant increase in gross profit. The gross profit for the six months ended 30 June 2024 was RMB507,180,000 (2023: RMB175,247,000).

The Group recorded a profit before taxation for the six months ended 30 June 2024 of RMB355,294,000 (2023: loss of RMB38,300,000). The Group's profit after taxation for the period under review was RMB267,482,000 (2023: loss of RMB28,959,000).

SEGMENT PERFORMANCE

Upstream products

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Revenue	3,524,090	4,349,545
Gross profit	198,370	16,051
Gross profit margin	5.6%	0.4%

Revenue of upstream products decreased to RMB3,524,090,000 (2023: RMB4,349,545,000). Turnover for upstream products was substantially affected by the overall decrease in market prices for all products, particularly corn derivative products. The sales volume of cornstarch was about 891,288 tonnes (2023: 1,007,971 tonnes). The average selling price of cornstarch was about RMB2,679 (2023: RMB2,740) per tonne. As the corn kernel market price reduced significantly during the period under review, the Group still record a growth in gross profit margin from 0.4% to 5.6%.

Fermented and downstream products

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Revenue		
– Lysine	1,605,963	1,012,954
– Starch-based sweetener	247,926	237,182
– Modified starch	216,954	154,371
– Others	50,581	60,271
Total	<u>2,121,424</u>	<u>1,464,778</u>
Gross profit	308,810	159,196
Gross profit margin	<u>14.6%</u>	<u>10.9%</u>

Revenue from fermented and downstream products segment increased substantially to RMB2,121,424,000 (2023: RMB1,464,778,000). Despite the decrease in the selling prices for the fermented and downstream products, the Group still recorded a considerable growth in sales order from customers during the period under review. This was a strong signal for the recovery of market sentiment of this segment. Gross profit margin increased by 3.7 percentage point to 14.6% (2023: 10.9%), while the Group recorded a gross profit RMB308,810,000 for the period under review (2023: RMB159,196,000).

Revenue of lysine products was RMB1,605,963,000 (2023: RMB1,012,954,000). The increase in revenue was mainly attributable to the substantial increase in both domestic and export sales of lysine products for the period under review, of which export sales of lysine products accounted for RMB470,798,000 (2023: RMB178,973,000). The average selling price of lysine products decreased to RMB5,877 per tonne (2023: RMB6,344 per tonne). The total sales volume for lysine products was about 273,256 tonnes (2023: 159,682 tonnes).

Revenue of starch-based sweetener was RMB247,926,000 (2023: RMB237,182,000). The business performance for starch-based products was relatively stable during the period under review. The sales volume of starch-based sweetener increased to 102,201 tonnes (2023: 93,998 tonnes). The percentage of liquid starch-based sweetener to total sweetener in sales volume increased to 73.1% during the period under review (2023: 71.8%). The average selling price of starch-based sweetener for the period ended 30 June 2024 was approximately RMB2,426 per tonne (2023: RMB2,523 per tonne).

Revenue of modified starch increased substantially to RMB216,954,000 (2023: RMB154,371,000). The substantial increase in revenue was mainly attributable to the increase in production capability resulting from the continuous improvement in sewage treatment and disposal facilities.

Revenue of new biobased material and others was RMB50,581,000 (2023: RMB60,271,000).

Cost of sales

During the period under review, the significant decrease in market price of corn kernel was mainly attributable to the abundant supply from both domestic and international markets and the sluggish demand from various business end-users. The average corn kernel cost was approximately RMB2,135 per tonne (2023: RMB2,554 per tonne) (net of value-added tax).

In the meantime, the electricity and steam expenses unit price were almost at the same level as that in 2023, which remained high.

It is considered that given the corn kernel prices reduced to a greater extent than the selling prices of our products and the implementing of energy cost-saving measures, the Group recorded a substantial growth in gross profit and gross profit margin during the period under review.

The Group did not enter into any forward/futures contracts 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 slightly to RMB82,218,000 from RMB82,360,000.

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Distribution expenses:		
Delivery and logistic	65,622	66,939
Marketing expenses	7,817	7,716
Staff costs	5,116	4,134
Others	3,663	3,571
	<u>82,218</u>	<u>82,360</u>

During the period under review, administrative expenses decreased to RMB96,206,000 from RMB98,603,000.

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Administrative expenses:		
Staff costs	52,629	53,037
Depreciation and amortisation	17,677	18,207
Government levies	13,434	13,368
Others	12,466	13,991
	<u>96,206</u>	<u>98,603</u>

Research expenses

During the period under review, research expenses decreased substantially to RMB43,689,000 from RMB94,056,000 as the number of research projects was reduced. Research expenses mainly consisted of material costs used for research projects.

Other net income

Other net income increased to approximately RMB57,416,000 during the period under review (2023: RMB54,037,000). The major items of other net income are set out below:

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Amortisation of government grants	38,977	40,866
Gain on sales of scrap materials	14,611	7,836
Net foreign exchange gain	4,265	1,505
(Loss)/gain on disposals of property, plant and equipment	(512)	1,962
Government grants (one-off)	131	148
Gain on futures	333	13
Others	(389)	1,707
	<u>57,416</u>	<u>54,037</u>

Liquidity, financial resources and capital structure

The key financial performance indicators are summarised as follows:

	Units	30 June 2024	31 December 2023
Debtors turnover	days	15	12
Creditors turnover	days	7	5
Inventories turnover	days	29	26
Current ratio	times	2.8	2.3
Quick ratio	times	1.9	1.6
Gearing ratio – borrowings to total assets	%	1.3	10.5

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. As at 30 June 2024, all borrowings of the Group were short-term borrowings. The aggregated bank borrowings of RMB29,508,000 were denominated in Renminbi and were carried interest at fixed rates. The loan from a controlling shareholder of RMB43,808,000 was denominated in Hong Kong Dollar and 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 2024, the Group had 2,267 (2023: 2,310) staff. Total staff costs, including directors' emoluments, for the six months ended 30 June 2024 were approximately RMB136,605,000 (2023: RMB139,483,000). The Company's remuneration policy has remained unchanged since our 2023 Annual Report. As at 30 June 2024, 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 2023 Annual Report.

Pledge of assets

As at 30 June 2024, the Group provided a pledged bank deposit of RMB193,055,000 and bank acceptance bills of RMB29,508,000 for securing banking facilities and bank borrowings respectively.

The Group did not pledge any land use rights and building to secure banking facilities as at 30 June 2024.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2024.

Significant investments

Save for the business development plans as disclosed in this announcement, the Group did not have other significant investments or future plans for material investments or capital assets as at 30 June 2024.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (2023: nil).

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

During the six months ended 30 June 2024, the Company repurchased 4,075,000 shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK\$607,000. All shares repurchased by the Company were cancelled on 30 May 2024. As at 30 June 2024 and the date of this announcement, the total number of shares of the Company in issue is 5,964,492,043.

Details of the shares repurchased are set out as follows:

2024	Number of shares	Price paid per share		Aggregate price paid HK\$'000
		Highest HK\$	Lowest HK\$	
March	2,000,000	0.150	0.146	296
April	2,075,000	0.150	0.145	311
	<u>4,075,000</u>			<u>607</u>

Save as disclosed above, during the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the six months ended 30 June 2024, the Company had complied with the applicable code provisions as set out in Part 2 of Appendix C1 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 2024 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 2024.

INTERIM REPORT

The 2024 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 2024.

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

Shouguang, The People's Republic of China, 14 August 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