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 2025

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 2025, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**5,114,852**	5,645,514
Cost of sales		**(4,686,096)**	(5,138,334)
Gross profit		**428,756**	507,180
Distribution expenses		**(63,704)**	(82,218)
Administrative expenses		**(114,033)**	(96,206)
Research expenses		**(20,731)**	(43,689)
Other net income	*4*	**49,437**	57,416
Operating profit		**279,725**	342,483
Finance income		**24,571**	15,133
Finance expenses		**(7,163)**	(2,322)
Profit before taxation	*5*	**297,133**	355,294
Income tax expense	*6*	**(71,497)**	(87,812)
Profit and total comprehensive income for the period		**225,636**	267,482
Attributable to:			
Owners of the Company		**151,390**	214,659
Non-controlling interests		**74,246**	52,823
		225,636	267,482
Earnings per share			
Basic and diluted (RMB)	*7*	**0.0254**	0.0360

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,930,523**	2,013,987
Right-of-use assets		**410,367**	415,552
Prepayments for construction projects		**72,388**	47,237
Deposits for acquisition of property, plant and equipment		**53,365**	39,334
Equity investments		**23,416**	23,416
Total non-current assets		**2,490,059**	2,539,526
Current assets			
Inventories		**835,463**	611,094
Trade and other receivables	*9*	**535,325**	438,339
Pledged bank deposits		**1,100,059**	1,160,056
Cash and cash equivalents		**1,998,645**	2,209,874
Total current assets		**4,469,492**	4,419,363
Total assets		**6,959,551**	6,958,889
EQUITY			
Equity attributable to owners of the Company			
Share capital		**529,868**	529,868
Other reserves		**537,931**	537,931
Retained earnings		**3,136,256**	3,038,171
		4,204,055	4,105,970
Non-controlling interests		**448,431**	387,685
Total equity		**4,652,486**	4,493,655
LIABILITIES			
Non-current liabilities			
Deferred income		**104,861**	142,041
Deferred tax liabilities		**109,707**	105,340
Borrowings		**–**	59,267
Total non-current liabilities		**214,568**	306,648

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*10*	**345,263**	360,653
Advances from customers		**262,038**	289,663
Income tax payable		**9,062**	64,105
Borrowings		**1,398,965**	1,420,301
Dividend payable		**53,305**	–
Employee housing deposits		**23,864**	23,864
Total current liabilities		**2,092,497**	2,158,586
Total liabilities		**2,307,065**	2,465,234
Total equity and liabilities		**6,959,551**	6,958,889

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 2025 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 2024 (the "2024 Financial Statements"), except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. The condensed consolidated interim financial statements should be read in conjunction with the 2024 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 2025, the Group has adopted HKAS 21 Lack of Exchangeability that are effective for the current accounting period.

The amendments to HKAS 21 do not have an impact on the results and financial position of the Group. The Group has not early adopted any new or amended standards that are not yet effective for the current accounting period.

3 SEGMENT INFORMATION

	Six months ended 30 June 2025		
	Upstream products *RMB'000*	**Fermented and downstream products** *RMB'000*	**Total** *RMB'000*
Sales to external customers	**3,149,725**	**1,965,127**	**5,114,852**
Inter-segment sales	**990,352**	**–**	**990,352**
Reportable segment results	**5,607**	**295,113**	**300,720**
Unallocated income			**17,896**
Unallocated expenses			**(38,891)**
Finance income			**24,571**
Finance expenses			**(7,163)**
Profit before income tax			**297,133**

	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

4 OTHER NET INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Amortisation of government grants	**37,530**	38,977
Gain on sale of scrap material	**12,855**	14,611
Net foreign exchange gain	**2,644**	4,265
Losses on disposal of property, plant and equipment	**(6,216)**	(512)
Government grant	**253**	131
Gain on futures	**–**	333
Others	**2,371**	(389)
	49,437	57,416

5 PROFIT BEFORE INCOME TAX

The major expenses of the Group are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Cost of inventories	**4,018,342**	4,465,085
Salaries and other related expenses	**153,658**	136,605
Depreciation of property, plant and equipment	**134,737**	136,663
Depreciation of right-of-use assets	**5,185**	5,185
Delivery and logistics	**46,767**	65,622
Research expenses *(note)*	**20,731**	43,689

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current income tax		
– PRC Enterprises Income Tax ("EIT")	**80,797**	45,298
– Over-provision in prior years	**(4,933)**	–
Deferred tax	**(4,367)**	42,514
	71,497	87,812

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% (2024:15%).

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.

Pursuant to the law of the PRC on EIT and its implementation Regulation, non-PRC resident enterprises are levied withholding tax at 10% (unless reduced by tax treaties/arrangements) on dividends receivable from PRC enterprises for profits earned since 1 January 2008. The Group adopted 5% (2024: 10%) withholding tax rate for PRC withholding tax purposes for the current period.

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	
	2025	2024
Profit attributable to owners of the Company (RMB'000)	**151,390**	214,659
Weighted average number of ordinary shares in issue (thousands)	**5,964,492**	5,965,532

No diluted earnings per share has been presented because no dilutive potential ordinary shares exist for both six months ended 30 June 2025 and 2024.

8 DIVIDENDS

The Board does not recommend the payment of an interim dividend for six months ended 30 June 2025 (2024: nil).

On 20 May 2025, the shareholders of the Company approved to declare a final dividend of HK0.98 cents per share for 2024 (2024: HK0.69 cents for 2023).

9 TRADE AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
Trade receivables	**157,110**	82,970
Bank acceptance bills	**274,145**	280,774
Prepayments and other tax receivables	**94,217**	52,993
Others	**9,853**	21,602
	535,325	438,339

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 2024: 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 2025	31 December 2024
	RMB'000	*RMB'000*
0 – 30 days	**152,266**	75,434
31 – 60 days	**4,844**	7,190
61 – 90 days	**–**	346
	157,110	82,970

No loss allowance of trade receivables is recognised as at 30 June 2025 and 31 December 2024.

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

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
Bills on hand	**197,876**	179,873
Endorsed bills	**38,405**	42,600
Discounted bills	**37,864**	58,301
	274,145	280,774

10 TRADE AND OTHER PAYABLES

	30 June 2025 *RMB'000*	31 December 2024 *RMB'000*
Trade payables	**154,180**	157,694
Bills payables	**–**	2,000
Total trade and bills payables	**154,180**	159,694
Payable for construction and equipment	**56,335**	60,639
Payroll and welfare payables	**48,978**	43,806
Accrued expenses	**32,878**	42,555
Other tax payables	**12,876**	24,665
Tender deposits	**31,982**	20,757
Sales commission	**2,266**	1,400
Others	**5,768**	7,137
	345,263	360,653

As at 30 June 2025, no bills payables (31 December 2024: RMB2,000,000) are secured by bank acceptance bills (note 11).

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 2025 *RMB'000*	31 December 2024 *RMB'000*
0 – 60 days	**133,346**	134,654
61 – 90 days	**1,120**	2,164
Over 90 days	**19,714**	22,876
	154,180	159,694

The average credit period on purchases is 80 days (31 December 2024: 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 first half of 2025 proved challenging for the domestic economy, with demand remaining subdued, particularly during the second quarter, as the ongoing U.S.–China trade dispute and associated tariffs continued to dampen market sentiment and downstream consumption. While both supply and demand increased during this period, the pace of supply growth outstripped demand, resulting in an oversupply issue. This imbalance led to elevated inventory levels amongst industries and exerted downward pressure on market prices. Despite these challenges, China's GDP grew by 5.3 percent year-on-year in the first half of 2025, demonstrating resilience in the face of external pressures.

During the period under review, the cornstarch and corn-refining industry maintained stable production levels. However, it faced considerable headwinds from the influx of low-cost imported tapioca starch (an interchangeable raw material in papermill applications) leading to intensified price competition. Additionally, weak demand from the animal feed and breeding sectors exerted sustained downward pressure on prices for key cornstarch derivatives, including corn gluten meal and lysine. Consequently, the industry was challenged by persistent substitution threats and subdued market conditions across its core segments.

Despite these challenges, the Group demonstrated commendable operational resilience by leveraging prior technological enhancements and process optimisations to maintain output. Nevertheless, market oversupply, compounded by sluggish downstream demand, heightened competitive pressures and necessitated further price concessions across corn by-products.

On the cost front, domestic corn prices climbed steadily throughout the first half of 2025, driven by tightened supply conditions and logistical constraints. However, this increase was not mirrored by finished goods pricing, as cornstarch and related derivatives remained depressed amid weak demand. The resulting margin squeeze placed notable strain on the Group's gross margins.

Financially, the Group remains in a strong position, with ample liquidity to weather current market challenges. In response to margin pressures, the Group's management has adopted a prudent strategy focused on rigorous cost control and improved operational efficiency. Although trading conditions are expected to remain challenging in the short term, the Group's disciplined approach leaves it well-positioned to navigate ongoing headwinds and benefit from any future demand recovery.

The Board would like to extend sincere appreciation to all staff for their unwavering dedication and invaluable contributions during the period under review.

Despite challenging conditions, the Board remains confident in the Group's core strengths and its ability to sustain long-term performance. The Group's management anticipates the third quarter performance will remain astringent, reflecting continued pressures in the operating environment. Nonetheless, the Group is well-positioned for a potential rebound in the final quarter of 2025.

On 20 February 2025, the Group announced plans to expand its cornstarch production facilities and undertake the construction of new thermal power plant projects within the Linqing production complex. The construction work, originally scheduled to commence on 1 July 2025, has experienced a slight delay to early August owing to the timing of the work permit issuance and administrative procedures. The Group has implemented appropriate mitigation measures to ensure that progress continues as planned, and the delivery schedule remains broadly unaffected. This adjustment is not anticipated to impact the project's overall trial production timeline in 2026.

The expansion project also involved the demolition of selected existing production facilities, which commenced during the first half of the year. Therefore, the Group recorded higher losses from the disposal of assets related to retired equipment during the period under review. As most of the demolition work was completed in the first half of 2025, no significant losses from assets disposal are anticipated in the remainder of the year. While this phase is crucial for enhancing long-term operational efficiency and expanding production capacity, it is anticipated to cause a temporary reduction in output. The Group acknowledges this short-term disruption as a necessary part of the transition and remains committed to working closely with its customers to minimise operational impact for all stakeholders.

For further details of our expansion plan, please refer to the Company's announcements of 20 February 2025, 20 May 2025 and 26 May 2025 respectively.

BUSINESS REVIEW

Upstream products

In the first half of 2025, the cornstarch industry faced considerable market pressures. Firstly, the volume of corn kernel imports declined due to the ongoing U.S.–China trade dispute, triggering a substantial increase in domestic corn kernel prices. Secondly, downward price movements in substitute commodities, including wheat starch, tapioca starch, and soybean meal, contributed to heightened competitive pressures across the industry. Thirdly, peers continued to expand their production capacities, further increasing supply-side pressure. Collectively, these factors constrained manufacturers' ability to pass on rising costs to customers.

During the second quarter of 2025, selected equipment at the Linqing production site was dismantled to facilitate the announced expansion plan. Throughout the construction phase, the Group will maintain sufficient inventory levels and collaborate closely with customers to ensure continued fulfilment of demand.

Fermented and downstream products

In the first half of 2025, the Group navigated a challenging operating environment marked by trade investigations, subdued demand in various products and tighter environmental regulations. While overall turnover declined in this segment compared to the same period last year, the Group achieved an improvement in gross profit through prudent strategic adjustments and resilient performance, particularly in the new biobased material products.

The lysine segment delivered stable turnover in the first half of 2025 compared to the same period in 2024. Nevertheless, operations were notably impacted by an ongoing dumping investigation from China, which resulted in a strategic shift in sales focus from overseas markets to domestic channels. Despite these external challenges, the Group's management remains satisfied with the segment's overall performance for the period under review.

During the period under review, the Group's starch-based sweetener business faced challenges stemming from weak demand in the food and beverage industry. Although seasonal expectations pointed to increased summer consumption, market momentum did not materialize; as a result, sustained pressure was placed on profitability. Furthermore, industry peers significantly expanded their production capacity, which intensified competition and further constrained pricing flexibility.

The modified starch business recorded a substantial decrease in sales volume during the period under review, mainly due to the impact of strengthened sewage control measures.

The business performance of new biobased materials was satisfactory. During the period under review, the Group expanded its distribution network, attracted new customers, and introduced new products.

FINANCIAL PERFORMANCE

Overview

During the period under review, the Group's revenue reduced to RMB5,114,852,000 (2024: RMB5,645,514,000). The decrease in turnover was due to decreases in both the average selling price and total sales volumes of the Group's products. In the meantime, the corn kernel (major raw material) market price rose significantly. The Group experienced downward pressure on product market prices alongside a notable increase in raw material costs during the period under review. These adverse movements contributed to a reduction in gross profit and imposed considerable strain on the Group's profit margins. The gross profit for the six months ended 30 June 2025 was RMB428,756,000 (2024: RMB507,180,000).

The Group recorded a profit before taxation for the six months ended 30 June 2025 of RMB297,133,000 (2024: RMB355,294,000). The Group's profit after taxation for the period under review was RMB225,636,000 (2024: RMB267,482,000).

SEGMENT PERFORMANCE

Upstream products

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue	**3,149,725**	3,524,090
Gross profit	**91,475**	198,370
Gross profit margin	**2.9%**	5.6%

Revenue of upstream products decreased substantially by 10.6% to RMB3,149,725,000 (2024: RMB3,524,090,000). The sales volume of cornstarch was about 856,500 tonnes (2024: 891,288 tonnes). The average selling price of cornstarch was about RMB2,465 (2024: RMB2,679) per tonne.

During the period under review, the Group undertook considerable efforts to sustain profitability amidst a challenging operating environment. Key pressures included a substantial increase in corn kernel costs, subdued market demand, and intensified competition from substitute products of cornstarch and derived products (such as wheat starch, tapioca starch and soybean meal).

Fermented and downstream products

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue		
– Lysine	**1,553,051**	1,605,963
– Starch-based sweetener	**222,607**	247,926
– Modified starch	**110,250**	216,954
– Others	**79,219**	50,581
Total	**1,965,127**	2,121,424
Gross profit	**337,281**	308,810
Gross profit margin	**17.2%**	14.6%

Total turnover from fermented and downstream products segment for the six months ended 30 June 2025 decreased by 7.4% to RMB1,965,127,000 (2024: RMB2,121,424,000). Gross profit margin increased by 2.6 percentage point to 17.2% (2024: 14.6%), while the Group recorded a gross profit RMB337,281,000 for the period under review (2024: RMB308,810,000).

Revenue from lysine products amounted to RMB1,553,051,000 (2024: RMB1,605,963,000). During the period under review, the Group redirected its sales efforts toward the domestic market in response to allegations surrounding the dumping of lysine products originating from China. As a result, domestic sales volume increased to 247,596 tonnes (2024: 227,549 tonnes). The average selling price declined to RMB5,644 per tonne (2024: RMB5,877 per tonne), while total sales volume rose slightly to approximately 275,187 tonnes (2024: 273,256 tonnes).

Revenue from starch-based sweetener amounted to RMB222,607,000 (2024: RMB247,926,000). The Group recorded declines in both sales volume and average selling price during the period under review. Liquid base sweetener accounted for approximately 81.7% (2024: 73.1%) of total sales volume of starch-based sweeteners, reflecting their continued dominance in the product mix. As the average selling price of liquid base sweeteners was lower than that of crystallised variants, the overall average selling price of starch-based sweeteners decreased to RMB2,248 per tonne (2024: RMB2,426 per tonne).

Revenue of modified starch decreased substantially to RMB110,250,000 (2024: RMB216,954,000). Such decrease was mainly attributable to the strengthened sewage control during the period under review.

Revenue of new biobased material and others was RMB79,219,000 (2024: RMB50,581,000). The Group's management was satisfied with the performance, which was largely attributable to enhancements in its distribution network during the period under review.

Cost of sales

The total cost of sales of the Group for the period under review was approximately RMB4,686,096,000 (2024: RMB5,138,334,000), or decreased by 8.8%.

During the first half of 2025, the spot price of corn kernel (major raw material) increased for five consecutive months, reaching its peak in June. The management anticipates that the spot price of corn kernel will remain at its current level until mid-August 2025, primarily due to the ongoing trade dispute and quality considerations, particularly the moisture content of corn kernels. The Group's average procurement cost for corn kernel during the period was approximately RMB2,068 per tonne (net of value-added tax), which was lower than RMB2,135 per tonne recorded in the first half of 2024, yet higher than RMB2,040 per tonne incurred in the second half of 2025.

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 significantly to RMB63,704,000 from RMB82,218,000. The Group's delivery expenses for the period under review decreased significantly due to the decrease in sales quantity and the decrease in delivery costs, especially long-distance bulk cargo delivery.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Distribution expenses:		
Delivery and logistic	**46,767**	65,622
Marketing expenses	**7,604**	7,817
Staff costs	**5,624**	5,116
Others	**3,709**	3,663
	63,704	82,218

Administrative expenses increased to RMB114,033,000 from RMB96,206,000. The increase in government levies led to higher administrative expenses for the period under review.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Administrative expenses:		
Staff costs	**60,077**	52,629
Government levies	**22,147**	13,434
Depreciation and amortisation	**18,090**	17,677
Others	**13,719**	12,466
	114,033	96,206

Research expenses

During the period under review, research expenses decreased substantially to RMB20,731,000 from RMB43,689,000. Research expenses mainly consisted of material costs, depreciation and staff costs. The Group focused on the development of production technology and knowhow during the period under review.

Other net income

Other net income decreased to approximately RMB49,437,000 during the period under review (2024: RMB57,416,000). The decrease in other net income was mainly due to the losses on disposal arising from the demolition of certain equipment at Linqing production site.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Amortisation of government grants	**37,530**	38,977
Gain on sales of scrap materials	**12,855**	14,611
Net foreign exchange gain	**2,644**	4,265
Losses on disposal of property, plant and equipment	**(6,216)**	(512)
Government grants (one-off)	**253**	131
Gain on futures	**–**	333
Others	**2,371**	(389)
	49,437	57,416

Liquidity, financial resources and capital structure

The key financial performance indicators are summarised as follows:

	Units	**30 June 2025**	31 December 2024
Debtors turnover	days	**14**	12
Creditors turnover	days	**8**	5
Inventories turnover	days	**28**	24
Current ratio	times	**2.1**	2.0
Quick ratio	times	**1.7**	1.8
Gearing ratio – borrowings to total assets	%	**20.1**	21.3

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. As at 30 June 2025, all borrowings of the Group were short-term borrowings. The aggregated bank borrowings of RMB1,337,864,000 were denominated in Renminbi and were carried interest at fixed rates. The loan from a controlling shareholder of RMB61,101,000 was denominated in Hong Kong Dollar and carried interest at a fixed rate of 0.5% per annum. The Group's cash and cash equivalents were mostly denominated in Renminbi.

Human resources and remuneration policies

As at 30 June 2025, the Group had 2,073 (2024: 2,267) staff. Total staff costs, including directors' emoluments, for the six months ended 30 June 2025 were approximately RMB153,658,000 (2024: RMB136,605,000). In response to the operational challenges, the Group implemented measures aimed at optimising workforce efficiency, supporting staff retention and maintaining morale during the period under review. These included allowing natural attrition to manage headcount, increasing reliance on automated machinery to alleviate labour demands, and introducing a discretionary performance bonus to incentivise employee commitment. In addition, the Group also reviewed and provided adjustments to base salaries to reinforce morale and maintain market competitiveness. Notably, the salary review conducted during this period involved a deep-level assessment, resulting in a significantly higher adjustment amount compared to prior reviews.

The Company's remuneration policy has remained unchanged since our 2024 Annual Report. As at 30 June 2025, 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 2024 Annual Report.

Pledge of assets

As at 30 June 2025, the Group provided certain bank deposit and bank acceptance bills with an aggregate carrying amount of RMB1,138 million to certain banks to secure certain credit facilities granted to the Group.

The Group did not pledge any land use rights and building to secure banking facilities as at 30 June 2025.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2025.

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 2025.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: nil).

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

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

CORPORATE GOVERNANCE

During the six months ended 30 June 2025, 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 2025 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 2025.

INTERIM REPORT

The 2025 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 2025.

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

Shouguang, The People's Republic of China, 20 August 2025

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
Ms. Sze Tak On