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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, the Group expects to record a total revenue of approximately RMB11,400 million for the year ended 31 December 2024 (the “**Year**”) as compared to a total revenue of RMB11,798 million in 2023. Meanwhile, the Group also expects to record a significant increase in profit before taxation ranging from approximately RMB800 million to RMB840 million as compared to a profit before taxation of RMB177 million for the year ended 31 December 2023.

The Board believes that the expected substantial increase in profit before taxation for the Year is mainly attributable to the following factors:

- (i) the market price of corn kernels, a major raw material of the Group, was substantially lower in 2024 compared to 2023;
- (ii) following the completion of expansion of the Group’s lysine production facilities in 2023, the Group recorded a remarkable growth in production and sales volume of lysine products during the Year;

- (iii) economies of scale were achieved through the enlarged production volume across all product lines during the Year; and
- (iv) despite insufficient demand for various products, the Group successfully expanded its market share while maintaining profitability.

The Board considers that the expected robust increase in profit before taxation is mainly attributable to the substantial decrease in corn kernel prices, an external factor, and our successful cost competition strategy. Nonetheless, in the long run, the prosperity of the industry remains subject to the challenges of oversupply and the sluggish domestic demand for corn-refinery products.

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 Year 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 Year 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 annual results of the Group for the Year, which is expected to be published in March 2025.

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

Shouguang, The People's Republic of China, 11 February 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