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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)

DISCLOSEABLE AND CONNECTED TRANSACTION THERMAL PLANT CONSTRUCTION CONTRACT

The Board is pleased to announce that on 19 November 2025, DGC, an indirect non wholly-owned subsidiary of the Company, has entered into the Thermal Plant Construction Contract with Juneng Construction (as contractor), pursuant to which Juneng Construction shall provide certain construction services to DGC in respect of the Thermal Power Plant at a total contract sum of RMB70.0 million.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Thermal Plant Construction Contract exceeds 5% but all of the applicable percentage ratios are less than 25%, the transactions contemplated under the Thermal Plant Construction Contract constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or are otherwise related. As the Thermal Plant Construction Contract and Construction Contract were both entered into between the Group and Juneng Construction and are of similar nature, the transactions contemplated under the Thermal Plant Construction Contract and Construction Contract shall be aggregated for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Thermal Plant Construction Contract and the Construction Contract exceeds 5% but all of the applicable percentage ratios are less than 25%, the transactions contemplated under the Thermal Plant Construction Contract and the Construction Contract constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Juneng Construction was owned as to approximately 99% by Juneng Group, which was in turn wholly-owned as to 26% by Shanyue Qingfeng (which is in turn wholly-owned by Mr. Tian Qixiang), 8% by Starsea (which is in turn wholly-owned by Mr. Yu Yingquan and his associates), 4% by Junze (which is in turn wholly-owned by Mr. Gao Shijun), 3% by Xiangyin (which is in turn wholly-owned by Mr. Liu Xianggang), 8% by Yunxin (which is in turn wholly-owned by Mr. Tian Yong, being the nephew of Mr. Tian Qixiang) and the remaining 51% by 29 other companies (which are in turn held by Independent Third Parties).

Notwithstanding that (i) neither Juneng Construction nor Juneng Group is an associate of any connected person(s) of the Company under Chapter 14A of the Listing Rules, and (ii) none of the Relevant Directors is on the board of directors of Juneng Construction nor are they, individually or collectively, able to control the board of directors of Juneng Group, upon enquiry with the Stock Exchange, Juneng Construction is deemed as a connected person of the Company pursuant to Rule 14A.19 of the Listing Rules on the basis that (a) the Relevant Directors and Mr. Tian Yong collectively hold substantial equity interests and board representation in both the Company and Juneng Group (which in turn controls Juneng Construction indirectly) which indicates a concerted ability to influence decisions across both entities, and (b) the Relevant Directors and Mr. Tian Yong are in a position to benefit indirectly from the award of the Thermal Plant Construction Contract by virtue of their shareholding and positions in Juneng Group. Accordingly, the entering into of the Thermal Plant Construction Contract constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 20 February 2025 in relation to the proposed launch of the cornstarch production project and the Thermal Power Project. The Board is pleased to announce that on 19 November 2025, DGC, an indirect non wholly-owned subsidiary of the Company, has entered into the Thermal Plant Construction Contract with Juneng Construction (as contractor), pursuant to which Juneng Construction shall provide certain construction services to DGC in respect of the Thermal Power Plant at a maximum contract sum of RMB70.0 million (subject to adjustments as further provided below).

THE THERMAL PLANT CONSTRUCTION CONTRACT

The principal terms of the Thermal Plant Construction Contract are set out below:

Date of the contract:	19 November 2025 (as amended by an amendment agreement on even date)
Parties:	(a) DGC; and (b) Juneng Construction (as contractor).
Term:	The construction work is expected to commence (i) on or around 30 January 2026, or (ii) on or around the date immediately following the passing of the resolution approving the Thermal Plant Construction Contract at the EGM, whichever is the earlier, and is expected to be completed by 31 March 2027.
Scope of construction services:	Construction of certain structures and facilities in respect of the Thermal Power Plant located in Linqing City, Shandong Province, the PRC, including the installation of a dual boiler system, a high-efficiency turbine generator and auxiliary facilities.

Contract sum:

A maximum of RMB70,000,000 (subject to adjustments as further provided below), after factoring in a contract rebate of 14% as agreed with Juneng Construction following arm's length negotiations. The contract rebate is a required bidding term as specified in the open tender document prepared by the External Tender Agent for the construction services in respect of the Thermal Power Plant.

The maximum contract sum of RMB70,000,000 was arrived at with reference to:

(a) the Budget Estimation Report which was prepared taking into consideration (i) the relevant national pricing standards and project specification regulations and policies of the PRC relating to the construction of thermal power plants, and (ii) standard charge rates for construction labour in the PRC;

(b) the scope and terms of construction project specifications of the Thermal Power Plant under the open tender documents prepared by the External Tender Agent after taking into account the scale and complexity of the project; and

(c) the contract rebate of 14% as agreed between the Group and Juneng Construction based on an initial offer of 12% as proposed by Juneng Construction as its bidding term (which was the highest rebate offered among all bidders) and following further arm's length negotiations.

Pursuant to the Thermal Plant Construction Contract, acceptable adjustments to the contract sum include, among others, (i) changes in PRC laws, regulations and policies affecting the contract sum, (ii) changes in pricing standards published by the relevant pricing regulatory authorities, (iii) changes in construction design, construction materials specifications and additional construction scope and technical implementations as required or accepted by DGC, and (iv) interruption of construction work exceeding eight hours on an accumulated basis within one week due to water, electricity or gas supply outages not caused by Juneng Construction. A qualified cost consultant as designated by DGC will be engaged to conduct a cost audit to ascertain the final total settlement amount of the Thermal Plant Construction Contract.

Based on the planned scope and scale of the Thermal Power Plant, the Directors currently do not envisage any material changes to the construction design or additions to the construction scope which may result in the final total amount payable by DGC under the Thermal Plant Construction Contract to be materially above the maximum contract sum as specified in the Thermal Plant Construction Contract.

Payment terms:

Monthly progress payment

To be calculated based on actual work progress of the month (cut off on or before the 20th day of each month) and after deduction of the contract rebate and the costs of any materials provided by DGC (the "**monthly progress payment**"), and payable by DGC in the following manner:

(a) 70% of the monthly progress payment shall be payable by DGC on or before the 20th day of the following month; and

(b) the remaining balance of the monthly progress payment shall be settled in the manner as more particularly provided below.

Final payment

(a) up to 70% of the total contract sum (to the extent not already paid by DGC as the monthly progress payment) shall be payable upon the completion, examination and acceptance of the construction work;

(b) up to 90% of the total contract sum (to the extent not already paid by DGC as the monthly progress payment) upon completion of the project settlement review; and

(c) the remaining 10% of the total contract sum shall be retained as a quality guarantee deposit without interest, half of which is to be released to Juneng Construction after one year of the normal operation of the Thermal Power Plant; and the remaining half is to be released within 30 days after the expiration of the two-year warranty period, provided that there is no issue as to the quality and operation of the Thermal Power Plant and its quality standard is to DGC's satisfaction and fulfills the national construction work quality standards published by the relevant regulatory authorities.

The payment of the total contract sum will be funded by internal resources of the Group.

Period of warranty: Two years commencing from the completion, examination and acceptance of the construction work.

REASONS FOR AND BENEFITS OF ENTERING INTO THE THERMAL PLANT CONSTRUCTION CONTRACT

Since the publication of the Shandong 14-5 Provincial Electricity Development Policy jointly by the Shandong Province Development and Reform Committee and Shandong Energy Department in November 2023, DGC has been contemplating the construction of the Thermal Power Plant which features a dual boiler system, a high-efficiency turbine generator and auxiliary facilities, aimed at providing stable steam supply to the Group's existing and/or new cornstarch production facilities in the vicinity. DGC obtained the Construction Approval from the Shandong Province Development and Reform Committee for construction of the Thermal Power Plant in January 2025.

As stated in the announcement of the Company dated 20 February 2025, the launch of the Thermal Power Project is primarily focused on meeting the growing energy demand and reducing the reliance from external suppliers. With the expansion of the Group's cornstarch production facilities underway (see announcement and circular of the Company dated 26 May 2025 and 18 September 2025 respectively), the Thermal Power Plant becomes crucial and momentous in supporting the Group's growing steam and energy demand with newly installed equipment and facilities. The Thermal Power Plant is also expected to yield greater operational efficiency and lower DGC's operational costs over time.

The Thermal Plant Construction Contract was entered into after completion of the open tender process by the External Tender Agent in accordance with the applicable PRC laws and regulations. The terms of the Thermal Plant Construction Contract (including any amendments thereto agreed as at the date of this announcement) were determined based on the terms of the open tender documents prepared by the External Tender Agent and after arm's length negotiations with Juneng Construction. The maximum contract sum (being a term in the Thermal Plant Construction Contract) was arrived at with reference to the factors as described in the section headed "The Thermal Plant Construction Contract – Contract sum" in this announcement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the External Tender Agent and its ultimate beneficial owner(s) is an Independent Third Party.

Having considered (i) the basis of determining the maximum contract sum as described in the section headed "The Thermal Plant Construction Contract – Contract sum" in this announcement, (ii) that the project specifications submitted by Juneng Construction in its bid were reviewed and assessed by the Tender Review Committee, which graded Juneng Construction with the highest score in terms of technical and planning aspects based on a spectrum of evaluation benchmarks, (iii) that, save for the tenderee representative, all other members on the Tender Review Committee are Independent Third Parties, and (iv) the reasons for and benefits brought about by the Thermal Power Plant as stated above, the Directors (including the independent non-executive Directors) consider that the terms of Thermal Plant Construction Contract (including the maximum contract sum) are normal commercial terms and are fair and reasonable, and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole. Furthermore, while the Directors (including the independent non-executive Directors) do not consider the entering into of the Thermal Plant Construction Contract to be in the Group's ordinary and usual course of business, it nonetheless relates integrally to the Group's conduct of its ordinary and usual course of business.

As Juneng Construction is deemed a connected person of the Company pursuant to Rule 14A.19 of the Listing Rules as detailed in the section headed "Listing Rules Implications" in this announcement, accordingly, the entering into of the Thermal Plant Construction Contract constitutes a connected transaction for the Company, each of the Relevant Directors, namely Mr. Tian Qixiang, Mr. Yu Yingquan, Mr. Gao Shijun and Mr. Liu Xianggang, all being executive Directors, has abstained from the discussion and voting at the relevant Board meeting for considering and approving the Thermal Plant Construction Contract and the transactions contemplated thereunder.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of cornstarch, lysine, starch-based sweetener, modified starch and ancillary corn-based and corn-refined products.

DGC is a company incorporated in the PRC and an indirect non wholly-owned subsidiary of the Company. DGC is primarily engaged in the manufacturing and sale of cornstarch, starch-based sweetener and related products, the generation and transmission of electricity and the distribution of steam.

INFORMATION ON JUNENG CONSTRUCTION

Juneng Construction is a company incorporated in the PRC. It is principally engaged in the construction of buildings, municipal roads, landscaping, electrical installations, pipeline and equipment installation, building decoration and the sales of building materials, hardware, electrical equipment and interior decoration materials. Further information on the shareholding structure of Juneng Construction is set out in the section headed "Listing Rules Implications" in this announcement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions contemplated under the Thermal Plant Construction Contract exceeds 5% but all of the applicable percentage ratios are less than 25%, the transactions contemplated under the Thermal Plant Construction Contract constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or are otherwise related. As the Thermal Plant Construction Contract and Construction Contract were both entered into between the Group and Juneng Construction and are of similar nature, the transactions contemplated under the Thermal Plant Construction Contract and the Construction Contract shall be aggregated for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Thermal Plant Construction Contract and the Construction Contract exceeds 5% but all of the applicable percentage ratios are less than 25%, the transactions contemplated under the Thermal Plant Construction Contract and the Construction Contract constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries:

(a) Juneng Construction is owned as to approximately 99% by Juneng Group and approximately 1% by an Independent Third Party. Juneng Group is a company incorporated in the PRC and is principally engaged in investment holding; and

(b) Juneng Group is owned as to:

(i) 26% by Shanyue Qingfeng, which is in turn wholly-owned by Mr. Tian Qixiang;

(ii) 8% by Starsea, which is in turn wholly-owned by Mr. Yu Yingquan and his associates;

(iii) 4% by Junze,which is in turn wholly-owned by Mr. Gao Shijun;

(iv) 3% by Xiangyin, which is in turn wholly-owned by Mr. Liu Xianggang;

(v) 8% by Yunxin, which is in turn wholly-owned by Mr. Tian Yong, being the nephew of Mr. Tian Qixiang; and

(vi) the remaining 51% by 29 other companies which are in turn wholly-owned by individuals, who to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, are Independent Third Parties.

Notwithstanding that (a) neither Juneng Construction nor Juneng Group is an associate of any connected person(s) of the Company under Chapter 14A of the Listing Rules, and (b) none of the Relevant Directors is on the board of directors of Juneng Construction nor are they, individually or collectively, able to control the board of directors of Juneng Group, upon enquiry with the Stock Exchange, Juneng Construction is deemed as a connected person of the Company pursuant to Rule 14A.19 of the Listing Rules on the basis that:

(a) the Relevant Directors and Mr. Tian Yong collectively hold substantial equity interests and board representation in both the Company and Juneng Group (which in turn controls Juneng Construction indirectly) which indicates a concerted ability to influence decisions across both entities; and

(b) the Relevant Directors and Mr. Tian Yong are in a position to benefit indirectly from the award of the Thermal Plant Construction Contract by virtue of their shareholding and positions in Juneng Group.

Accordingly, the entering into of the Thermal Plant Construction Contract constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Professor Hua Qiang, Professor Chen Zhijun and Ms. Sze Tak On, has been established to consider the terms of the Thermal Plant Construction Contract and the transactions contemplated thereunder, and to advise the Independent Shareholders as to whether the terms of the Thermal Plant Construction Contract are fair and reasonable, and whether the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. An independent financial adviser will be appointed pursuant to Rule 14A.44 of the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in relation to the Thermal Plant Construction Contract and the transactions contemplated thereunder. Further announcement will be made by the Company in respect of the appointment of the independent financial adviser as and when appropriate.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving the Thermal Plant Construction Contract and the transactions contemplated thereunder. A circular containing (i) details of the Thermal Plant Construction Contract, (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Thermal Plant Construction Contract and the transactions contemplated thereunder, (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Thermal Plant Construction Contract and the transactions contemplated thereunder, and (iv) the notice of the EGM and proxy form, will be despatched to the Shareholders on or before 10 December 2025.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than the Relevant Directors and each of their respective associates who will abstain from voting on the resolution(s) to be proposed for approving the Thermal Plant Construction Contract at the EGM, no Shareholder will be required to abstain from voting in respect of the resolution(s) that would be proposed to approve the Thermal Plant Construction Contract and the transactions contemplated thereunder at the EGM.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"associate(s)"	has the same meaning given to it under the Listing Rules
"Board"	the board of Directors

"Budget Estimation Report"	a preliminary civil engineering project budget estimation report commissioned by the Group and issued by the Shangdong Thermal Electricity Research Institute*（山東省熱電設計院), an Independent Third Party, for the purpose of assisting the Group in estimating the budgeted costs for the construction of the Thermal Power Plant
"Company"	China Starch Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3838)
"connected person(s)"	has the same meaning given to it under the Listing Rules
"Construction Approval"	the construction approval dated 23 January 2025 from the Shandong Province Development and Reform Committee in respect of the Thermal Power Project to DGC, which stipulates that, DGC as a tenderee shall, among other things, conduct an open tender process via an entrusted tender organisation to procure the required installation works and construction services in accordance with the applicable PRC laws and regulations
"Construction Contract"	the construction contract for the cornstarch production facilities entered into between DGC and Juneng Construction (as contractor) dated 25 May 2025 as mentioned in the announcement of the Company dated 26 May 2025 and the circular of the Company dated 18 September 2025

"DGC"	Linqing Deneng Golden Corn Bio Limited*(臨清德能金玉米生物有限公司), a company incorporated in the PRC and an indirect non wholly-owned subsidiary of the Company
"Director(s)"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to approve the Thermal Plant Construction Contract and the transactions contemplated thereunder
"External Tender Agent"	an independent tender agent (being a company incorporated in the PRC) engaged by DGC to carry out the open tender (including the preparation of tender documents, formulation of the Tender Review Committee and review and assessment of tender bids) for the Thermal Plant Construction Contract pursuant to the Construction Approval and applicable PRC laws and regulations
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board which comprises all the independent non-executive Directors to advise the Independent Shareholders on, among other things, the fairness and reasonableness of terms of the Thermal Plant Construction Contract, and to advise the Independent Shareholders on how to vote at the EGM

"Independent Shareholders"	Shareholders who are not interested in the Thermal Plant Construction Contract and the transactions contemplated thereunder and those who are not required to abstain from voting at the EGM in accordance with the Listing Rules
"Independent Third Party(ies)"	third party(ies) who is/are independent of the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Juneng Construction"	Shouguang Juneng Construction and Installation Co., Ltd*（壽光巨能建築安裝有限公司), a company incorporated in the PRC and a non wholly-owned subsidiary of Juneng Group
"Juneng Group"	Shandong Shouguang Juneng Group Co., Ltd*(山東壽光巨能集團有限公司), a company incorporated in the PRC
"Junze"	Shouguang Junze Technology Service Co., Ltd*（壽光君澤科技服務有限責任公司), a company incorporated in the PRC and wholly-owned by Mr. Gao Shijun, an executive Director
"percentage ratios"	has the meaning given to it under the Listing Rules
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Relevant Directors"	collectively, Mr. Tian Qixiang, Mr. Yu Yingquan, Mr. Gao Shijun and Mr. Liu Xianggang

"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Shanyue Qingfeng"	Shouguang Shanyue Qingfeng Trading Co., Ltd*(壽光山月清風經貿有限公司), a company incorporated in the PRC and wholly-owned by Mr. Tian Qixiang, an executive Director
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s) whose name(s) is/are duly registered from time to time in the register of members of the Company
"Starsea"	Shouguang Starsea Trading Co., Ltd*(壽光星辰大海商貿有限公司), a company incorporated in the PRC and wholly-owned by Mr. Yu Yingquan, an executive Director, and his associates
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tender Review Committee"	a tender review committee formulated by the External Tender Agent pursuant to the applicable PRC laws and regulations
"Thermal Plant Construction Contract"	the thermal power plant construction contract entered into between DGC and Juneng Construction (as contractor) dated 19 November 2025 and any amendments thereto from time to time as mentioned in the section headed "The Thermal Plant Construction Contract" in this announcement

"Thermal Power Plant"	structures and facilities in respect of the Thermal Power Plant, including the installation of a dual boiler system, a high-efficiency turbine generator and auxiliary facilities
"VAT"	value-added tax
"Xiangyin"	Shouguang Xiangyin Trading Co., Ltd* (壽光象印經貿有限責任公司), a company incorporated in the PRC and wholly-owned by Mr. Liu Xianggang, an executive Director
"Yunxin"	Shouguang Yunxin Trading Co., Ltd.* (壽光市昀鑫經貿有限公司), a company incorporated in the PRC and wholly-owned by Mr. Tian Yong, being the nephew of Mr. Tian Qixiang
"%"	per cent

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

Shouguang, The People's Republic of China, 19 November 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 Chen Zhijun
Professor Hua Qiang
Ms. Sze Tak On

* *For identification purpose only*