THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Starch Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

中州國際融資有限公司
CENTRAL CHINA INTERNATIONAL CAPITAL LIMITED

All capitalised terms used in this circular shall have the same meanings given to them in the section headed "Definitions" of this circular.

A notice convening the EGM to be held at Room 1101-4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong at 11:30 a.m. on 30 January 2026 (Friday) is set out on pages 53 to 55 of this circular. A letter from the Board is set out on pages 6 to 19 of this circular. A letter from the Independent Board Committee is set out on pages 20 to 21 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 45 of this circular.

Whether or not you intend to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. For the avoidance of doubt, holders of treasury Shares shall abstain from voting at the EGM in respect of any treasury Shares held by them.

There will be NO distribution of corporate souvenirs, food, beverages or any other items at the EGM.

9 January 2026

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Announcements"	the announcements of the Company dated 20 February 2025 and 19 November 2025 in respect of, among other matters, the launch of the Thermal Power Plant project, the Thermal Plant Construction Contract and the EGM
"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 Shandong Provincial Thermo-Electric Design 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
"close associates"	has the same meaning given to it under the Listing Rules
"Companies Act"	the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Company"	China Starch Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and 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
"controlling shareholder(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 to DGC in respect of the construction of Thermal Power Plant, 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 dated 25 May 2025 entered into between DGC and Juneng Construction (as contractor) 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)"	director(s) of the Company
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be convened and held at Room 1101-4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong at 11:30 a.m. on 30 January 2026 (Friday) and any adjournment thereof, the notice of which is set out on pages 53 to 55 of this circular
"External Tender Agent"	Linqing Zeyu Project Management Ltd*(臨清市澤宇項目管理有限公司), a company incorporated in the PRC and an independent tender agent engaged by DGC to carry out the open tender 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 Financial Adviser" or "CCIC"	Central China International Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of giving recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Thermal Plant Construction Contract and the transactions contemplated thereunder
"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
"Latest Practicable Date"	5 January 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
"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 same meaning given to it under the Listing Rules
"PRC"	the People's Republic of China, which for the purpose of this circular, 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 (including the amendment agreement entered into on 19 November 2025) as mentioned in the section headed "The Thermal Plant Construction Contract" in this circular
"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

* *For identification purpose only*

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)

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

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Room 1101-1104, 11/F
Harcourt House
39 Gloucester Road, Wanchai
Hong Kong

9 January 2026

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION THERMAL PLANT CONSTRUCTION CONTRACT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcements whereby the Board announced 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 million, subject to the terms and conditions therein.

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Thermal Plant Construction Contract and the transactions contemplated thereunder, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Thermal Plant Construction Contract and the transactions contemplated thereunder, and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Thermal Plant Construction Contact and the transactions contemplated thereunder. A notice of EGM containing the resolution(s) to be proposed at the EGM is also set out in this circular.

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(s) 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 under the tendering guidelines 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 tendering guidelines 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.

The Budget Estimation Report

The Budget Estimation Report, which represented an independent and professional view and was referenced by the Board to estimate the overall construction cost for the Thermal Power Plant, was prepared and issued by Shandong Provincial Thermo-Electric Design Institute (山東省熱電設計院) (the "**Thermo-Electric Design Institute**"). The Budget Estimation Report provided for a structure-by-structure estimate on construction costs, labour costs and machineries and equipment costs for construction of the Thermal Power Plant, applying the relevant national pricing standards and project specification regulations and policies of the PRC relating to the construction of thermal power plants and the standard charge rates for construction labour in the PRC, which are applicable to the terms and project specifications in the Thermal Plant Construction Contract. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Thermo-Electric Design Institute and its ultimate beneficial owner(s) is an Independent Third Party. The Thermo-Electric Design Institute is a professional engineering design firm established for over 30 years, specialising in engineering consultation, design, and engineering, procurement and construction services in the fields of thermal power, municipal infrastructure, new energy and environmental protection.

Acceptable adjustments to the contract sum

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.

Such applicable PRC laws, regulations and policies and national pricing standards affecting the contract sum may include, but not limited to, ''Shandong Construction, Installation Construction Consumption Quota (2003 Version)'', ''Shandong Construction, Installation Construction Pricing Schedule (2015 Version)'' and ''Liaocheng City Construction, Installation Construction Pricing Schedule (2015 Version)''.

The scope of acceptable adjustments mentioned above were determined with reference to (i) the scope of adjustments ordinarily adopted in comparable projects undertook by the External Tender Agent for reputable organisations and governmental agencies (for details of the experience of the External Tender Agent, please refer to the paragraph headed "The Open Tender and External Tender Agent" in this circular), (ii) the project specifications of the Thermal Plant Construction Contract, and (iii) arm's-length negotiation between DGC and Juneng Construction. On this basis, the Directors are of the view that the scope of adjustments is comparable with other similar projects, and accordingly, represents an ordinary commercial term which is fair and reasonable, and serves as a contingent arrangement to accommodate any potential price changes which would be beyond the parties' control.

Based on the planned scope and scale of the Thermal Power Plant, as at the Latest Practicable Date, the Directors did not envisage any material changes to the construction design or additions to the construction scope which might 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) shall be payable 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, of which half of it 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.

THE OPEN TENDER AND EXTERNAL TENDER AGENT

Pursuant to the Construction Approval and applicable PRC laws and regulations, DGC as a tenderee, among other things, conducted an open tender process through the External Tender Agent to procure the requisite installation works and construction services and materials in respect of the Thermal Power Plant. The External Tender Agent is a tender agent in Linqing City, the PRC and included in the tender agents list for Shandong provincial government procurement projects. It has undertaken projects of municipal power grid companies, hospitals and other governmental organisations, and projects relating to infrastructure, engineering and construction. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, each of the External Tender Agent and its ultimate beneficial owner(s) is an Independent Third Party.

The External Tender Agent was selected among three potential candidates in accordance with the relevant internal procurement policy of the Group. The three potential candidates, including the External Tender Agent, are all located in the Linqing and Liaocheng areas, which are in the vicinity of DGC. Pursuant to the internal procurement policy of the Group, the procurement team identified these candidates through public sources such as the Chinese Government Procurement website and subsequently approached them for fee quotations. The Group's procurement team then conducted public searches to ascertain, among other things, their respective scope of principal business, licensing and registration status, as well as historical project track records. Having considered that the External Tender Agent was able to offer the most competitive pricing and had experience in undertaking tendering projects for reputable organisations and governmental agencies as mentioned above, it was ultimately selected by the Group to undertake the role of an external tender agent in the Thermal Power Plant project.

Between 17 July 2025 and 7 August 2025, the External Tender Agent conducted the open tender procedures in accordance with the scope of work mentioned above, including the preparation of the tendering guidelines, publication of the open tender notice on public tendering and bidding websites and the formulation of the Tender Review Committee. Pursuant to the tender agency agreement entered into between DGC and the External Tender Agent, DGC shall provide the External Tender Agent background of the Thermal Plant Construction Contract, including but not limited to the Construction Approval and project specifications; while the External Tender Agent shall prepare the tendering guidelines in accordance with the "Tendering and Bidding Law of the PRC" and reflect such project specifications and requirements stipulated under the Construction Approval and construction standards formulated by the relevant governmental authorities when procuring tender bids for the Thermal Plant Construction Contract. Pursuant to the "Tendering and Bidding Law of the PRC", a tender review committee shall comprise at least five members (including a representative from the tenderee), with at least two-thirds comprising the experts (covering technical and economics expertise) randomly selected from the list of professionals in the tender evaluation pool managed by the relevant State Council departments, or the provincial or municipal departments. Accordingly, the Tender Review Committee was established by the External Tender Agent which comprised five members, with four external experts in the fields of engineering, construction and academia and one representative from the Group. All four expert members were listed as tender evaluation experts on the Shandong provincial government procurement website. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the representative of DGC, all other members on the Tender Review Committee are Independent Third Parties.

Prospective bidders were required to submit their tender bids on 7 August 2025 at the office of the External Tender Agent. Upon the closing of the open tender process, a total of three bidders submitted their bids to the External Tender Agent, including Juneng Construction. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the two remaining bidders and their respective ultimate beneficial owner(s) are Independent Third Parties, and none of the Company and each of its connected persons and their respective associates have any direct or indirect shareholding interest in and/or agreement, arrangement, understanding, undertaking or other business or personal relationship (whether formal or informal and whether express or implied) with each of the two remaining bidders and their respective ultimate beneficial owner(s) and directors.

Pursuant to the tendering guidelines, the Tender Review Committee was required to evaluate the participating bidders from the pricing, technical and planning and similar project experience aspects with a scoring ratio of, 50: 46: 4, respectively, giving a total score of 100 marks. In terms of the technical and planning aspect, the participating bidders were rated with reference to nine technical evaluation benchmarks including but not limited to the proposed construction plans and safety control, proposed emergency and contingency measures, technology applications, as well as manpower and equipment allocation. The scoring mechanism as specified in the tender guidelines adopted a "distributed" scoring mechanism and provided specific evaluation guidance and segregated scoring allocations for each technical evaluation benchmark, as well as pricing term and relevancy of experience to ensure evaluation consistency among the Tender Review Committee members on the focused areas of considerations when rating the variety of criteria and metrics across different bidding candidates.

Upon evaluation of the bidding documents submitted by the three participating bidders based on the scoring mechanism mentioned above, the Tender Review Committee was of the view that (i) all three bidders scored equally on similar project experience, (ii) all five Tender Review Committee members gave the highest score to Juneng Construction on all technical evaluation aspects, and (iii) Juneng Construction was scored the lowest on the pricing aspect (as the score for pricing was evaluated based on the median price offered by the three participating bidders and the Tender Review Committee shall deduct points for bids which deviate from such median according to the spread). Based on the scoring assessments from each Tender Review Committee member, Juneng Construction acquired the highest total score and was accordingly confirmed as the successful bidder.

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

Since the formulation of the Notice Regarding Projects Under 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.

The construction of Thermal Power Plant is aimed at meeting the growing steam demand and reducing the reliance on 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 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 Latest Practicable Date) were determined based on the tendering guidelines 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 circular.

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 circular, (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 representative of DGC, 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 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 circular, 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 circular.

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 Latest Practicable Date, 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 30 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 Latest Practicable Date, 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.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Thermal Plant Construction Contract and the transactions contemplated thereunder. A notice of the EGM to be held at Room 1101-4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong at 11:30 a.m. on 30 January 2026 (Friday) is set out on pages 53 to 55 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Independent Shareholders taken at the EGM to approve the resolution proposed must be taken by poll. The results of the poll will be published on the websites of the Company and the Stock Exchange in accordance with the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular and has been posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinastarch.com.hk), respectively. If you do not intend or are unable to attend the meeting and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the form of proxy and return it to the share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

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

CLOSURE OF REGISTER OF MEMBERS

To ascertain shareholders' eligibility to attend and vote at the Meeting, the register of members will be closed from 27 January 2026 (Tuesday) to 30 January 2026 (Friday), both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on 30 January 2026 (Friday) will be entitled to attend and vote at the Meeting. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 26 January 2026 (Monday).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors namely Professor Chen Zhijun, Professor Hua Qiang and Ms. Sze Tak On) has been formed to advise the Independent Shareholders on the Thermal Plant Construction Contract and the transactions contemplated thereunder as to (i) whether the terms of the Thermal Plant Construction Contract are normal commercial terms and fair and reasonable, and whether the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and (ii) how to vote on the proposed resolution(s) at the EGM relating to the Thermal Plant Construction Contract and the transactions contemplated thereunder after taking into account the recommendations of the Independent Financial Adviser.

CCIC has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Thermal Plant Construction Contract are normal commercial terms and fair and reasonable, and whether the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and (ii) to advise the Independent Shareholders on whether to vote in favour of the resolution(s) to be proposed for approving the Thermal Plant Construction Contract at the EGM.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 20 to 21 of this circular which contains its recommendations to the Independent Shareholders in relation to the Thermal Plant Construction Contract and the transactions contemplated thereunder, and the letter from the Independent Financial Adviser set out on pages 22 to 45 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

RECOMMENDATIONS

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider the terms of the Thermal Plant Construction Contract are normal commercial terms and 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.

Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
China Starch Holdings Limited
Tian Qixiang
Chairman

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)

9 January 2026

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION THERMAL PLANT CONSTRUCTION CONTRACT

INTRODUCTION

We refer to the circular of the Company dated 9 January 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the Thermal Plant Construction Contract and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms of which are normal commercial terms and fair and reasonable insofar as the Independent Shareholders are concerned.

RECOMMENDATIONS

CCIC has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Having taken into account the terms of the Thermal Plant Construction Contract and the advice from the Independent Financial Adviser, we are of the opinion that (i) the terms of the Thermal Plant Construction Contract and the transactions contemplated thereunder are normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and (ii) the entering into of the Thermal Plant Construction Contract is in the interests of the Company and the Shareholders as a whole. Furthermore, while we 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. Accordingly, we recommend you to vote in favour of the resolution(s) to be proposed at the EGM to approve the Thermal Plant Construction Contract and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
the Independent Board Committee
China Starch Holdings Limited

Professor Chen Zhijun **Professor Hua Qiang** **Ms. Sze Tak On**
Independent Non-executive Directors

The following is the full text of a letter of advice from Central China International Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Discloseable and Connected Transaction, which has been prepared for the purpose of incorporation in this Circular.



9 January 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSABLE AND CONNECTED TRANSACTION IN RELATION TO THE THERMAL PLANT CONSTRUCTION CONTRACT

A. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Discloseable and Connected Transaction (as defined below), the details of which are set out in the "Letter from the Board" contained in the circular of the Company to the Shareholders dated 9 January 2026 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Company announced on 19 November 2025 that on even date, DGC, an indirect non wholly-owned subsidiary of the Company, 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 million (subject to adjustments as further discussed below).

Prior to the entering into of the Thermal Plant Construction Contract, the Group had, on 25 May 2025, entered into a construction contract with Juneng Construction (the "**Production Facilities Construction Contract**") in relation to the modification and expansion of DGC's cornstarch production plant (the "**Cornstarch Production Project**"), which was announced by the Company on 26 May 2025 and approved by Independent Shareholders on 9 October 2025. 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 the Production Facilities 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 Production Facilities 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, when aggregated with the Production Facilities Construction Contract, exceeds 5% but all of the applicable percentage ratios are less than 25%, the transactions contemplated under the Thermal Plant Construction Contract constitutes a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Further, upon enquiry with the Stock Exchange, Juneng Construction has been deemed as a connected person of the Company pursuant to Rule 14A.19 of the Listing Rules. Accordingly, the entering into of the Thermal Plant Construction Contract also constitutes a connected transaction for the Company (the "**Discloseable and Connected Transaction**") and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Professor Hua Qiang, Professor Chen Zhijun and Ms. Sze Tak On (all being independent non-executive Directors) has been established to advise the Independent Shareholders on whether the terms of the Thermal Plant Construction Contract are on normal commercial terms and are fair and reasonable, and the entering into of the Discloseable and Connected Transaction is in the interests of the Company and the Shareholders as a whole. We, Central China International Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We had acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to the Production Facilities Construction Contract. Other than that, there was no engagement or connection between the Company, or any party acting or presumed to be acting in concert with any of them and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment and our appointment as the independent financial adviser in relation to the Production Facilities Construction Contract, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other party to the Discloseable and Connected Transaction. Accordingly, we consider we are eligible to give independent advice in respect of the Discloseable and Connected Transaction.

B. BASIS OF OUR OPINION

In forming our opinion and recommendation, we have relied on (i) the information, facts and representations and opinions contained or referred to in the Circular, (ii) the information and facts provided by the Company, its advisers, the executive Directors and the management of the Company and its subsidiaries (the "**Management**"), (iii) the representations and opinions of the Directors and the Management, and (iv) our review of relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular, and that all such statements of belief, opinions, expectations and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have sought and received confirmation from the Company that no material facts have been withheld or omitted from the information and representations provided and the opinions expressed, and that all information, facts, representations and opinions provided/expressed to us are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information, facts, representations and opinions provided to us by the Directors and the Management and/or the advisers of the Company, or that any relevant material facts have been withheld or omitted from the information provided, or the reasonableness of the opinions and representations provided/expressed to us by the Directors and the Management.

We consider that we have been provided with sufficient information currently available and have taken all reasonable steps to reach an informed view and to provide a reasonable basis for our opinion in compliance with Rule 13.80 of the Listing Rules. We however have not conducted any independent verification of the information included in the Circular and/or provided to us by the Company, its advisers, the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or DGC or any of their respective subsidiaries or associates.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Discloseable Transaction, and except for inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the Discloseable and Connected Transaction, we have taken into consideration the principal factors and reasons as set out below.

1. Background Information

1.1 Background of the Group

The Company is an investment holding company which, through its subsidiaries, is principally engaged in the manufacture and sale of cornstarch, lysine, starch-based sweetener, modified starch and ancillary corn-based and corn-refined products in the PRC. Set out below is a summary of the consolidated statements of profit or loss of the Company for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, as extracted from the annual and interim reports of the Company for the corresponding financial years/periods:

	For the six months ended 30 June		**For the year ended 31 December**		
	2025	**2024**	**2024**	**2023**	**2022**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*	*(audited)*
	(RMB,000)	*(RMB,000)*	*(RMB,000)*	*(RMB,000)*	*(RMB,000)*
Revenue					
– Upstream products (cornstarch and ancillary corn-refined products)	3,149,725	3,524,090	7,007,884	8,596,863	8,705,998
– Fermented and downstream products (lysine, starch-based sweetener, modified starch and others)	1,965,127	2,121,424	4,407,871	3,200,671	3,242,854
	5,114,852	5,645,514	11,415,755	11,797,534	11,948,852
Cost of sales	(4,686,096)	(5,138,334)	(10,252,508)	(11,240,962)	(10,758,377)
Gross profit	428,756	507,180	1,163,247	556,572	1,190,475
Profit for the year/period attributable to owners of the Company	151,390	214,659	482,253	107,959	352,009

1.2 Background of the parties to the Construction Contract

DGC

Linqing Deneng Golden Corn Bio Limited* ("**DGC**") is a company incorporated in the PRC and an indirect non-wholly-owned subsidiary of the Company. DGC is principally engaged in the manufacturing and sale of cornstarch, starch-based sweetener and related products with its production base situated in Linqing City, Shandong Province, the PRC.

The Company announced on 20 February 2025 that it proposed to launch the Cornstarch Production Project and a new thermal power plant featuring a dual boiler system, a high-efficiency turbine generator and ancillary facilities (the "**Thermal Power Project**") for DGC. According to the Company, the Cornstarch Production Project will increase the annual cornstarch production capacity of DGC from 1,000,000 tonnes to 1,550,000 tonnes, while the Thermal Power Project will provide crucial and momentous support for DGC's growing steam and energy demand, particularly with the planned expansion in DGC's cornstarch production capacity. While construction work for the Cornstarch Production Project has already commenced, the Company further announced on 19 November 2025 that DGC has entered into the Thermal Plant Construction Contract for the construction of relevant structures and facilities in respect of the Thermal Power Plant (the "**Thermal Plant Construction**"), with construction work expected to commence following approval from Independent Shareholders.

Juneng Construction

As disclosed in the "Letter from the Board" in the Circular, Juneng Construction is a company incorporated in the PRC and 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.

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, with its equity interests beneficially owned as to 26% by Mr. Tian Qixiang (Chairman of the Board and an executive Director), 8% by Mr. Yu Yingquan (an executive Director) and his associates, 4% by Mr. Gao Shijun (Chief Executive Officer of the Company and an executive Director), 3% by Mr. Liu Xianggang (an executive Director), 8% by Mr. Tian Yong (a nephew of Mr. Tian Qixiang), and the remaining 51% by 30 other companies (which are in turn wholly-owned by individuals who are Independent Third Parties). Juneng Construction has been deemed as a connected person of the Company pursuant to Rule 14A.19 of the Listing Rules (see "Letter from the Board – Listing Rules Implications" in the Circular for further details and bases).

2. Reasons for entering into the Construction Contract

As disclosed under the "Letter from the Board – Reasons for and Benefits of entering into the Thermal Plant Construction Contract" in the Circular, since the formulation of the Notice Regarding Projects Under the Shandong 14-5 Provincial Electricity Development Policy, 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 DGC's existing and/or new cornstarch production facilities in the vicinity.

According to the Company's annual reports, aside from corn kernel, steam has also been a critical input and a major cost component in the cornstarch production process. As advised by the Management, since DGC currently has no thermal power generating capacity, it has been acquiring steam needed for its production process from Independent Third Party-operated thermal power facilities in its vicinity. However, such external steam supply has become increasingly unstable in recent years and has accordingly affected the stable and consistent production process of DGC. Premised on this, the launch of the Thermal Power Project is primarily focused on meeting the growing steam demand of DGC and reducing its reliance from external suppliers, particularly with the Cornstarch Production Project being underway. It is expected that by internalising the supply of steam, DGC will be better positioned to limit its exposure to exogeneous supply interruptions that could negatively impact its production process and output yields.

In assessing the above stated reasons, we have obtained and reviewed (i) a feasibility study report for the Thermal Power Project dated 5 December 2024 and issued by Shandong Provincial Thermo-Electric Design Institute*(山東省熱電設計院)(the "**Thermo-Electric Design Institute**"), and (ii) an assessment report on the Thermal Power Project dated 14 January 2025 and issued by Shandong Engineering Project Consulting Institute*(山東省工程諮詢院), being one of the reports submitted and considered for the issue of the Construction Approval. According to publicly available information, the Thermo-Electric Design Institute is an Independent Third Party professional engineering design firm established for over 30 years, specialising in engineering consultation, design, and EPC services in the fields of thermal power, municipal infrastructure, new energy, and environmental protection. On the other hand, Shandong Engineering Project Consulting Institute*(山東省工程諮詢院) is an composite engineering consulting institute established in 1989 through the authority of Shandong Provincial Government and set up under Shandong Provincial Development and Reform Commission(山東省發展和改革委員會), primarily responsible for the evaluation and assessment of fixed investment projects in Shandong Province on behalf of Shandong Provincial Government. Both reports recognised the strained heat and steam supply situation in the vicinity region of DGC. More specifically, the assessment report pointed out that while there are currently three thermal power companies supplying heat and steam in the vicinity region where DGC is situated, one is planned to be closing by end of 2025. With the remaining two (one of which being the steam supplier of DGC) already reaching their full capacity, additional source of thermal power is in imminent need to support local industrial development needs. The same view was also shared in the feasibility study report, which pointed out that the supply of heat and steam can no longer satisfy the vicinity region's industrial and civil usage.

In addition to the above, we have obtained an internal statistical report from DGC concerning its steam supply interruptions, which reported that DGC experienced over 30 interruptions (totalling over 300 hours) of steam supply in 2024, and over 40 interruptions (totalling over 300 hours) of steam supply for the first 11 months of 2025, leading to reduced production volume of over 9,000 tonnes and 2,800 tonnes of cornstarch, over 350 tonnes and 200 tonnes of corn-based sweetener (liquid base), and over 100 tonnes and 140 tonnes of crystalised sweetener for the respective periods.

On the basis of the foregoing, we consider the reasons put forth by the Company for the construction of the Thermal Power Plant to be of reasonable and valid commercial ground, in the interest of the ordinary business of DGC and correspondingly the Company and its Shareholders as a whole.

3. The open tender process

As disclosed in "Letter from the Board – The Open Tender and External Tender Agent", pursuant to the Construction Approval and applicable PRC laws and regulations, DGC as a tenderee, among other things, conducted an open tender process through the External Tender Agent to procure the requisite installation works and construction services and materials in respect of the Thermal Power Plant.

The Open Tender Requirement

We have reviewed the "Regulations for the Scope of Infrastructure and Utility Projects which Require Tender Process of the PRC"《必須招標的基礎設施和公用事業項目範圍規定》, which provides that all large-scale infrastructure, public utility and other projects, including (among others) energy infrastructure projects such as coal, oil, natural gas, electricity and new energy that concern public interests and public safety, must be undertaken by way of tendering process in accordance with the "Tendering and Bidding Law of the PRC"《中華人民共和國招標投標法》and the "Regulations on Tendering and Bidding of the PRC"《中華人民共和國招標投標法實施條例》. Further, we note that as stipulated in the "Catalogue of Investment Projects Subject to Government Approval (2016 Edition)"《政府核准的投資項目目錄(2016年本)》issued by the State Council, thermal power stations (including self-provided power plants) shall be approved by local governments. We have obtained and reviewed the Construction Approval to ascertain DGC has obtained proper governmental approval for the construction of the Thermal Power Plant.

The External Tender Agent and the Tender Review Committee

According to the Construction Approval, an open tender for the procurement of design, construction, installation, supervision, equipment and crucial materials for the Thermal Power Plant shall be conducted through an externally engaged tender agent. In this connection, the External Tender Agent was engaged in compliance with the stated requirement in the Construction Approval. We noted that the External Tender Agent was selected among three potential candidates, which was in accordance with relevant internal procurement policy of the Group. We have enquired into and were advised by the Management that the three potential candidates (all located in the Linqing and Liaocheng areas in the vicinity of DGC) were first identified through public sources, and were approached to provide fee quotations. Public searches on the three candidates were then conducted to ascertain their respective principal business, license and registration, and historical track record. The External Tender Agent was ultimately selected on the basis of competitive pricing and experience in undertaking tendering projects for reputable organisations and governmental agencies. We have obtained and reviewed the said internal procurement policy to establish DGC's internal procurement process compliance. We have also obtained and reviewed the approval

record for the selection of the External Tender Agent showing fee quotations of all potential candidates, and noted the External Tender Agent has the lowest fee quotation. In addition, we have obtained and reviewed materials of the External Tender Agent and noted that it is included in the tender agents list for Shandong provincial government procurement projects, and that its deal list has included projects of municipal power grid companies, hospitals and other governmental organisations, and projects relating to infrastructure, engineering and construction. Further, we have conducted public search on its corporate and shareholding information to assess its independence and found no indication of connected relationship with either the Group or Juneng Construction. On such basis, we consider the process and criteria adopted in the selection of the External Tender Agent was fair and reasonable, and nothing has come to our attention that would cause us to cast doubt on the independence of the External Tender Agent and its suitability in undertaking the tendering and bidding for the Thermal Plant Construction.

As regards the formation of tender review committee for the open tender, it is noted that according to the "Tendering and Bidding Law of the PRC"《中華人民共和國招標投標法》, a tender review committee shall comprise at least five members, with at least two-thirds comprising experts in technical and economic aspects, to be selected randomly from a tender evaluation pool managed by relevant State, provincial or municipal governmental department. Upon review of relevant tendering and bidding documents in respect of the Thermal Plant Construction, we noted that the Tender Review Committee comprising five members, with four external experts in the fields of engineering, construction and academia and one representative from the Group, was established for considering and selecting the successful bidder on the Thermal Plant Construction. We have obtained and reviewed relevant due diligence documents from the Company and noted that the four expert members were listed on relevant webpage under the Shandong provincial government procurement website as tender evaluation experts. We have further conducted public searches on the corporate and shareholding information of the Group and Juneng Construction and checked against appearance of any of the four expert members or the organisation/institute each of these four expert members holds their respective employment as provided in the abovesaid webpage, and found no indication of connected relationship with any of the four external experts. On such basis, we consider that nothing has come to our attention that would cause us to cast doubt on the independence of the four external experts and their qualification in acting as external expert members of the Tender Review Committee.

The Open Tender Result

As further disclosed in "Letter from the Board – The Open Tender and External Tender Agent", upon evaluation of the bidding documents by the Tender Review Committee of the three participating bidders (including Juneng Construction), Juneng Construction was selected as the successful bidder. We have obtained and reviewed the respective bidding documents submitted by all three bidders and noted that they all had provided documents in accordance with the requirements specified in the tendering guidelines (as prepared by the External Tender Agent). We have also reviewed the scoring mechanism as specified in the tendering guidelines and noted that it has adopted a "distributed" scoring mechanism, where bidding candidates were evaluated and rated under three different principal criteria, namely technical aspects, pricing term and relevant experience, with each allocated with a separate score ceiling (of 46, 50 and 4 respectively, totalling 100 scores). For technical aspects, the scoring is further partitioned into nine evaluation metrics covering (without limitation) proposed construction plans and safety control, proposed emergency and contingency measures, technology applications, as well as manpower and equipment allocation, each with its own attributed score sub-ceiling under the overall score ceiling (of 46) assigned to technical aspects. Specific evaluation guidance were also provided for each of the nine evaluation metrics under technical aspects, as well as for the remaining two evaluation criteria (namely pricing term and relevancy of experience), to guide and promote consistency among members of the Tender Review Committee on the focused areas of considerations when rating the variety of criteria and metrics across different bidding candidates.

Premised on the above, we have further reviewed the scoring results of the three participating bidders and the final evaluation report of the Tender Review Committee and noted that:

(i) the participating bidders were separately rated and scored by each of the Tender Review Committee members for each of the nine evaluation metrics under technical aspects as well as for similar project experience and pricing term;

(ii) while all three bidders were scored equally on similar project experience, Juneng Construction was scored highest on all nine evaluation metrics under technical aspects by all five Tender Review Committee members;

(iii) Juneng Construction offered the most competitive pricing term among the three bidders (though it was awarded the lowest score due to the specific scoring guidance on pricing term, which deduct scores for deviation from the mid-point of the proposed pricing term among all bidding candidates); and

(iv) as Juneng Construction acquired the highest aggregate scoring from the Tender Review Committee, the Tender Review Committee confirmed Juneng Construction as the successful bidder.

We do not consider ourselves to have possessed the requisite professional expertise in the technical areas of construction and infrastructure work to independently assess or opine on the individual scores attributed by the Tender Review Committee, particularly in respect of the technical aspects. Nevertheless, having considered that (i) open tender process is generally considered to be an acceptable and relatively fair mechanism for corporate procurement activities and in line with commercial practice; (ii) the tender process was conducted through the External Tender Agent which is an Independent Third Party, and four out of five members of the Tender Review Committee were Independent Third Parties randomly selected from a designated tender evaluation pool, both of which are considered positive measures in promoting the fairness of an open tender process; (iii) the adoption of a "distributed" scoring mechanism coupled with the provision of specific evaluation guidance and segregated scoring allocations for all evaluation metrics are considered reasonable measures to promote fairness and objectivity for comparing across bidding candidates; (iv) Juneng Construction was rated highest in terms of technical aspects as well as overall scoring by all five members of the Tender Review Committee (including each of the four Independent Third Party expert members); and (v) Juneng Construction offered the most competitive pricing term among the participating bidders, we consider the open tender process, the scoring mechanism and consequently the selection of Juneng Construction as the successful bidder was fairly and reasonably designed, conducted and concluded and is in the interest of the Company and its Shareholders as a whole.

4. The Thermal Plant Construction Contract

Set out below are selected principal commercial terms of the Thermal Plant Construction Contract as extracted/paraphrased from the "Letter from the Board" in the Circular:

Scope of work:	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.
Construction period:	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.
Warranty period:	Two years commencing from completion, examination and acceptance of the construction work.
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. 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.
Allowable adjustments to contract sum:	(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.

Payment terms:

Monthly progress payments:

– 70% of the actual construction work progress during the month, to be paid on or before the 20th day of the following month; with the remaining 30% to be withheld and settled in accordance with the following final payment arrangements.

Final payments (of the remaining 30%):

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

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

– 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.

We have reviewed the Thermal Plant Construction Contract and noted that the scope of work would include civil construction works (including ancillary water, electricity, and heating installations) for buildings and structures relating to the Thermal Power Project, including but not limited to a 7-storey main production house, a 2-storey electric booster station, a 3-storey crushing tower, a 3-storey chemical water collection and control building, a 5-storey de-sulphurisation building, various water-treatment related structures and other auxiliary facilities.

Contract Sum

As disclosed in the "Letter from the Board" in the Circular, the contract sum of RMB70 million 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 tendering guidelines 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% proposed by Juneng Construction as its bidding term (which was the highest rebate offered among all bidders) and following further arm's length negotiations.

To assess the fairness and reasonableness of the contract sum, we have obtained and reviewed the Budget Estimation Report (issued by the Thermo-Electric Design Institute), which we consider to be a major reference for our evaluation as it represented an independent, professional view on the estimated overall cost for the Thermal Plant Construction. It is noted that the Budget Estimation Report provided for a structure-by-structure estimate on construction costs, labour costs and machineries and equipment costs for the Thermal Plant Construction, applying the relevant national pricing standards and project specification regulations and policies of the PRC relating to the construction of thermal power plants and the standard charge rates for construction labour in the PRC in line with the terms of the Thermal Plant Construction Contract. According to the Budget Estimation Report, the total construction cost (excluding machineries and equipment which are outside of the scope of the Thermal Plant Construction Contract) is estimated to amount to approximately RMB80.6 million, which is notably higher than the maximum contract sum of RMB70 million (by approximately 15%).

Having considered that (i) the preliminary budgeted cost estimate is performed by an established, independent professional firm with relevant fields of specialization; (ii) such preliminary budgeted cost estimate was notably higher than the maximum contract sum of RMB70 million (by approximately 15%); (iii) notwithstanding that the rebate initially offered by Juneng Construction (of 12%) was already the highest among the three bidders, DGC had successfully negotiated with Juneng Construction to further increase the rebate to 14%; and (iv) the final total settlement amount will be ascertained by a qualified cost consultant as designated by DGC, we are of the view that the agreed contract rebate of 14% and the maximum contract sum of RMB70 million are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Other Key Commercial Terms

To further assess the fairness and reasonableness of other key commercial terms of the Thermal Plant Construction Contract, we have taken a similar approach of comparable transactions analysis as previously applied in the assessment of the Production Facilities Construction Contract (particulars of which have been set out in the letter from the independent financial adviser (the "**September IFA Letter**") contained in circular of the Company dated 18 September 2025). Moreover, since the nature of the two construction projects bears relative similarity (mainly involving construction of industrial purpose single and multi-storey buildings and production related facilities), we consider the selection criteria adopted for the comparable exercise of the Production Facilities Construction Contract, and accordingly the 10 comparable transactions ultimately selected thereunder (the "**Base Comparables**"), remains valid and are included in our comparable analysis for the Thermal Plant Construction Contract.

Given the lapse of time since the publication of the September IFA Letter, we have updated our exhaustive search for any additional comparable transactions from September to November 2025 to arrive at an updated review period of January to November 2025 (the "**Updated Review Period**"), which we consider to be sufficient in facilitating our assessment. For the avoidance of doubt, transaction announcement(s) of the Company for the Production Facilities Construction Contract during the Updated Review Period are excluded from our assessment. On such basis, an exhaustive search for "Discloseable Transaction" announcements published on the website of the Stock Exchange with headline keyword "construction" during the period of September to November 2025 was conducted, initially yielding an additional 15 transactions. Consistent with the approach adopted in the September IFA Letter, supplemental announcements of previously announced transactions and rectification announcements of previously undisclosed transactions that were entered into prior to September 2025 have been excluded, and transactions with subject matter(s) considered to be incompatible (such as new energy EPC projects, infrastructure construction, renovation projects, and recreational, commercial and/or residential projects, which concern considerably different work scopes, construction cycles, technical requirements, complexity and/or specifications) are again excluded. Consequently, the above screening exercise have yielded an additional 4 valid comparable transactions on top of the 10 Base Comparables, giving a total of 14 valid comparable transactions ("**Updated Comparable Transactions**") for the purpose of our assessment.

Based upon our review of the Updated Comparable Transactions, it is again noted that while they share largely similar or comparable scope of commercial terms with the Thermal Plant Construction Contract, a large majority of the Updated Comparable Transactions have commercial terms considered to be less favourable to that of the Thermal Plant Construction Contract, such as requirement for upfront or advanced partial payment, or a shorter or no stated warranty period, or has lesser or no retention money for a stated warranty period.

Furthermore, among the Updated Comparable Transactions that have included disclosure on consideration adjustment terms in their respective transaction announcements, most have similar allowable consideration adjustments such as changes in construction plans/scope of work, variation orders, fluctuations/updates on prices of labour and materials, and changes in laws and regulations.

On the basis of the above, we consider other key commercial terms of the Thermal Plant Construction Contract (including consideration adjustment terms) to be fair and reasonable, on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

The following table sets out the key terms of the Updated Comparable Transactions as disclosed in their respective announcements:

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/ Quality Guarantee
1	Kimou Environmental Holding Limited (6805.HK)	9 Nov 2025	(a) construction works for plant buildings 504# and 505# of the Huadong Surface Treatment Recycling Eco-Industrial Park Production Area Phase II Stage 2, including civil engineering (e.g., earthworks, masonry, concrete works, roofing & waterproofing, decoration), and installation works (e.g., electrical, plumbing, HVAC, fire protection, lightning protection) (b) construction works for plant buildings 305#, 306#, 405# and 406# of the Huadong Surface Treatment Recycling Eco-Industrial Park Production Area Phase II Stage 2, including civil engineering (e.g., earthworks, masonry, concrete works, roofing & waterproofing, decoration), and installation works (e.g., electrical, plumbing, HVAC, fire protection, lightning protection)	No reference to time duration	Aggregate sum of RMB136.8 million	• 20% payable within 15 working days after signing of contract; • 20% upon completion of the third-floor concrete structure of each building; • 30% upon completion of the main structural topping-out; • 10% upon completion of pre-acceptance inspection; • 15% payable upon completion of filing of the completion record; and • remaining 5% shall be retained as defect liability retention, payable without interest two years after final acceptance if no quality issues arise.	2 years
2	Minieye Technology Co., Ltd(2431.HK)	31 Oct 2025	The Project will involve construction of facilities with annual production capacity of 600,000 units/sets of intelligent driving assistance products, located at the east side of Shangtamo Port and the north side of Yunhe Avenue, Wuzhen Town, Tongxiang City. Construction for the Project includes, but not limited to, earthwork, pile foundation, civil engineering, door and window engineering, mechanical and electrical engineering, fire safety work, interior and exterior decoration, municipal pipe network engineering, road engineering, garden landscaping, wall and gate engineering (whether temporary or permanent) and other projects	550 days	RMB127.1 million, without adjustments resulting from any increase or decrease in costs due to changes in the actual construction work volume unless with written consent from principal	• 30% advance payment; • Cumulative payment of 85% with reference to the construction completion progress to be paid on a monthly basis; • Cumulative payment of 95% with reference to the construction completion progress upon acceptance of completion for the physical progress; • 3% of consideration will be retained as quality deposit from each payment, with remainder of consideration to be made upon completion of the final construction acceptance and settlement review and receipt of the quality deposit letter from the Contractor.	1 year

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/ Quality Guarantee
3	GDH Guangnan (Holdings) Limited (1203.HK)	23 Sep 2025	construction of the slaughterhouse and ancillary facilities for the Project located on the Land in Lishui Town, Nanhai District, Foshan City, Guangdong Province, the PRC	290 days	RMB109.8 million	• 70% before the re-measurement of the contract bill of quantities has been confirmed; • 75% (cumulative) after the re-measurement of the contract bill of quantities has been confirmed, but prior to the signing of a supplemental agreement pursuant to the construction agreement in relation to, among other things, the final contract price; • 80% (cumulative) upon signing of the supplemental agreement; • 85% (cumulative) upon overall completion and acceptance of the Project and the acquisition of all relevant certificates; • 90% (cumulative) upon completion of construction filing, removal of all equipment, machineries, materials and other articles of the Contractors from the worksite and delivery of all the completion information; • 97% (cumulative) upon approval of completion settlement and confirmation that there are no outstanding issues; and • remaining 3%, being quality guarantee, minus deductible amounts (if any) to be paid after the expiry of the defects liability period.	2 years

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/ Quality Guarantee
4	Prosperous Industrial (Holdings) Limited (1731.HK)	17 Sep 2025	All construction works within the scope of the general construction of the Phase I of Glorieux Intelligent Manufacturing Industrial Park（澤榮智造產業園）Project located at south of Xingye Road, Nancun Town, Panyu District, Guangzhou, Guangdong Province, the PRC with a total site area of 137,077.31 square metres.	470 calendar days	RMB152.4 million, subject to adjustments based on the actual construction changes agreed upon between the parties, fluctuation of prices of construction materials and other facilities and changes in relevant PRC laws and regulations	• advance payment of 5%; • progress monthly payment up to 75%; • up to 85% upon completion, formal inspection and acceptance; • up to 90% within 30 days upon obtaining the certificate of completion filing and completing the handover to relevant government authorities; • up to 97% within 60 days upon completion of the works and the final review and approval of the settlement; • 3% to be retained as quality warranty retention and released after quality maintenance period (of approximately 2 years).	2 years
5	Kontafarma China Holdings Limited (1312.HK)	18 Aug 2025	Construction of an R&D complex, including but not limited to foundation and substructure, main structure, fitting out and decoration, roof, plumbing and heating, electrical works, ventilation and air conditioning, and elevators	320 days	RMB33.7 million, subject to adjustments based on the actual construction period and construction works conducted and with reference to the latest published price of labour and materials in Beijing	• Payable on monthly basis based on construction progress	Not mentioned

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/ Quality Guarantee
6	Breton Technology Co., Ltd. (1333.HK)	15 Aug 2025	Earthwork and foundation engineering, building decoration engineering, electrical engineering, weak-current engineering, water supply and drainage engineering, fire protection engineering, heating ventilation engineering, seismic supports, outdoor engineering, roads, integrated pipe networks	450 calendar days	RMB99.5 million	• Advance payment of 10% within 7 days after entering into contract; • 35% upon completion and acceptance of foundations for factory, office and dormitory, deducting 30% of the advance payment; • 25% upon completion and acceptance of (i) installation of main steel structure and (ii) office building and dormitory frameworks, deducting 30% of the advance payment; • 20% upon completion and acceptance of installation of steel structure doors, windows, external panels and outdoor works, deducting 40% of the advance payment; • 10% upon satisfactory completion and final acceptance of all works; • 7% upon final settlement for completion of all works; • Remaining 3% shall be retained and pay upon expiry of the maintenance period	2-5 years for various sections of works
7	China Nuclear Energy Technology Corporation Limited (611.HK)	4 Aug 2025	Installation and construction of an energy storage power station including, among other things, all preliminary procedures, procurement of relevant equipment and materials, installation, construction, grid connection, testing and acceptance works	No reference to time duration	RMB63.4 million, not to be adjusted due to any factors during the performance of the construction agreement	• 10% advance payment after provision of bank performance guarantee by the contractor; • Up to 97% as settlement payment based on progress of the construction and upon receipt of relevant invoice(s); • Remaining 3% as quality assurance fund to be released upon expiry of a two-year warranty period	2 years

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/ Quality Guarantee
8	Silver Grant International Holdings Group Limited (171.HK)	28 Jul 2025	Design, on-site survey and construction of energy storage facilities at the petroleum and petrochemical product production plant	153 days	RMB14.2 million	Monthly basis based on progress and completion of construction work, subject to 3% of the contract price to be paid one year after the passing of final acceptance of the construction work and there being no issue identified.	1 year
9	Chaoju Eye Care Holdings Limited (2219.HK)	28 Jul 2025	Construction of the Phase I of an integrated medical complex, including but not limited to architectural works, installation works, civil air defense works, ancillary facilities, reserved and embedded openings for air conditioning systems, and embedded components for curtain walls	Expected to be completed on or before 31 October 2026	RMB222.8 million, subject to adjustments based on the actual construction changes agreed upon between the parties, fluctuation of prices of construction materials and other facilities and changes in relevant PRC laws and regulations	• Advance payment of RMB20 million within 28 days after construction contract coming into effect; • Monthly interim payments representing 75% of the assessed value of construction work completed for each month; • 85% of assessed value of the construction work upon satisfactory completion and acceptance of main body; • Up to 97% upon completion of project audit settlement and acceptance and delivery of project; • Remaining 3% as quality guarantee deposit to be released 24months after project completion and acceptance.	24 months
10	Wuhan Youji Holdings Ltd. (2881.HK)	8 Jul 2025	Construction works for an industrial park, including but not limited to the construction of factory buildings, steel structures, roads, and drainage systems	From date of construction contract to June 2026	Maximum of RMB75.0 million, with final amount to be determined by the principal or its designated cost consultant based on fixed quota pricing issued by relevant governmental pricing standard with maximum discount of 15% applied to all components excluding major materials	• Monthly interim payment representing 70% of the assessed value of construction works completed to date; • Up to 80% upon completion and acceptance to the satisfaction of the principal; • Up to 97% upon completion of final settlement of both parties; • Remaining 3% as quality guarantee to be released two years after project completion and acceptance.	2 years (waterproof works subject to a five-year warranty)

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/ Quality Guarantee
11	Tuya Inc. (2391.HK)	27 May 2025	Four construction contracts on underground construction works, earthwork and stonework, drainage and water discharge, structural engineering, building construction, rough finishing, fire door installation and integrated electromechanical works on two parcels of land	800-1087 calendar days from date of commencement of construction work under relevant construction contract	Aggregate sum of RMB472.8 million, subject to adjustments including but not limited to amendments to the design plan, specifications of construction materials, scope of work, and any extra enhancement work required	• Monthly interim payment representing 70% of the assessed value of construction works completed to date; • Up to 80% of assessed value upon completion of construction works; • Up to 84% of assessed value upon completion of examination and receipt of acceptance certificate issued by the principal; • Up to 84% of assessed value upon the principal approving the complete set of settlement documents; • Up to 97% of contract sum upon the principal receiving final payment request form and VAT invoice; • Remaining 3% of contract sum as maintenance bond, to be released as to 1.5% one year following start of warranty period, and 1.5% two years following start of warranty period.	2 years
12	Tristate Holdings Limited (458.HK)	2 Apr 2025	Construction of a 3-storey logistics building (including earthwork and foundation engineering, concrete structure construction, steel structure fabrication and installation, fabrication and installation of colour steel plates for roofs and walls, masonry works, aluminium alloy doors and windows, and the installation of hydropower systems)	240 calendar days	RMB45.1 million, subject to adjustments including additional costs incurred by contractor due to variation orders or additional responsibilities as required by the principal as well as possible fluctuations in purchase prices of certain raw materials	• Advance payment of 20% of contract sum in the form of bank guarantee, to be recouped proportionally against monthly progress payments; • Monthly progress payments representing 80% of the assessed value of construction work completed in the preceding month; • 85% of contract sum upon completion acceptance of main body; • 95% upon completion of settlement procedures; • Remaining 5% as quality warranty to be released after expiry of two years from date of completion acceptance.	2 years

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/ Quality Guarantee
13	Sun Hing Vision Group Holdings Limited (125.HK)	28 Feb 2025	Design and construction of a factory premises and its ancillary facilities in Vietnam, including (i) piling and foundation works, (ii) structural works, (iii) architectural works; (iv) firefighting system and (v) external works	Expected to be completed by end of September 2025	VND32.2 million (or HK$9.8 million)	• Advance payment of 30% of contract price within 7 days from receipt of bank issued guarantee certificate and tax invoice provided by the contractor; • Interim payment of 40% of contract price within 7 days from receipt of tax invoice from the contractor; • Final payment of 30% of contract price within 30 days from project acceptance and handover.	Not mentioned
14	Legion Consortium Limited (2129.HK)	10 Jan 2025	Design and construction of a 3-storey single user industrial building comprising of 2 level of workshops and 1 level of ancillary office in Singapore (including (i) piling/foundation works, (ii) structural works, (iii) architectural works, (iv) external works and (v) mechanical and electrical services)	No reference to time duration	S$5.4 million	Payment of interim payment shall be 300 days from receipt of tax invoice issued by the contractor.	Not mentioned

D. RECOMMENDATION

Having considered the principal factors and reasons set out in this letter, we are of the opinion that (i) the terms of the Thermal Plant Construction Contract are on normal commercial terms and are fair and reasonable; and (ii) the entering into of the Discloseable and Connected Transaction is in the interests of the Company and the Shareholders as a whole. Moreover, while we do not consider the Discloseable and Connected Transaction to be of the Group's ordinary and usual course of business, it nonetheless relates integrally to the Group's conduct of ordinary and usual course of business and is in the interest of the ordinary business of DGC. Accordingly we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the Discloseable and Connected Transaction and we recommend the Independent Shareholders to vote in favor of the resolution in this regard.

Yours faithfully,
For and on behalf of
Central China International Capital Limited
Elain Wong
General Manager

Note: Ms. Elain Wong is a responsible officer of Central China International Capital Limited registered with the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 25 years of experience in securities industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the securities of the Company or its associated corporations

As at the Latest Practicable Date, the following Directors and chief executives of the Company had or were deemed to have interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**"), to be notified to the Company and the Stock Exchange:

Long positions in the Shares of the Company

Name of Director	Nature of interests	Number of Shares interested	Approximate percentage of issued capital of the Company
Mr. Tian Qixiang	Interest in a controlled corporation *(note)*	3,705,385,194	62.12%

Note: The interest in these Shares was held by Merry Boom Group Limited ("**Merry Boom**"). Merry Boom is owned as to approximately 54.58% by Mr. Tian Qixiang. Mr. Tian was deemed to be interested in all the Shares held by Merry Boom under the SFO.

Long positions in the shares of associated corporations of the Company

Name of associated corporations	Name of Director	Nature of interest	Number of shares interested	Approximate percentage of issued capital of the Company
Merry Boom	Mr. Tian Qixiang	Beneficial owner	131	54.58%
	Mr. Gao Shijun	Beneficial owner	60	25.00%
	Mr. Yu Yingquan	Beneficial owner	1	0.42%
Shouguang Golden Corn Biotechnology Limited* ("**Golden Corn Biotech**") 壽光金玉米生物科技有限公司(「**金玉米生物科技**」)	Mr. Gao Shijun	Beneficial owner	– *(i, ii)*	0.75%
	Mr. Yu Yingquan	Beneficial owner	– *(i, iii)*	0.23%
	Mr. Liu Xianggang	Beneficial owner	– *(i, iv)*	0.19%

Notes:

(i) Golden Corn Biotech was an indirect non-wholly owned subsidiary of the Company. The amount of paid-up share capital of Golden Corn Biotech was RMB200,000,000. The number of shares was not specified in the constitutional document.

(ii) Shouguang Chengyu Investment Co., Ltd* ("**Chengyu**") was one of the shareholders of Golden Corn Biotech. Mr. Gao Shijun held 1,500,000 shares in Chengyu through Shouguang Junze Technology Service Co., Ltd.* ("**Junze**"). The entire issued share capital of Junze was wholly and beneficially owned by Mr. Gao Shijun.

(iii) Chengyu was one of the shareholders of Golden Corn Biotech. Mr. Yu Yingquan held 460,000 shares in Chengyu through Shouguang Starsea Trading Co., Ltd* ("**Starsea**"). The entire issued share capital of Starsea was wholly and beneficially owned by Mr. Yu Yingquan and his associates.

(iv) Shouguang Shengyu Investment Co., Ltd* ("**Shengyu**") was one of the shareholders of Golden Corn Biotech. Mr. Liu Xianggang held 375,000 shares in Shengyu through Shouguang Xiangyin Trading Co., Ltd ("**Xiangyin**"). The entire issued share capital of Xiangyin was wholly and beneficially owned by Mr. Liu Xianggang.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and their respective associates had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests of Substantial Shareholders and other persons

To the best knowledge, information and belief of the Directors of the Company, as at the Latest Practicable Date, the following persons (other than being Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules:

Long positions in the Shares of the Company

Name	Capacity	Number of Shares interested	Approximate percentage of issued capital of the Company
Merry Boom	Beneficial owner *(note)*	3,705,385,194	62.12%

Note: These Shares were held by Merry Boom. Merry Boom is owned as to approximately 54.58% by Mr. Tian Qixiang, an executive Director and Chairman of the Company. Mr. Tian is deemed to be interested in all the Shares held by Merry Boom under the SFO as disclosed under the paragraph headed "Directors' and Chief Executive's Interests" above.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware that there was any other persons (other than the Directors or chief executives of the Company) who had, or was deemed to have, an interest or short position in the Shares, underlying Shares or debentures of the Company (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register to be kept by the Company.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in the assets which had been, since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the Group's business that competes or is likely to compete (either directly or indirectly) with the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which are contained in this circular:

Name	Qualifications
Central China International Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

At the Latest Practicable Date:

(a) the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report and/or references to its name in the form and context in which they respectively appear;

(b) the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

(c) the above expert did not have any direct or indirect interests in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

8. MATERIAL CONTRACTS

Set out below are the material contracts, not being contracts entered into in the ordinary course of business, entered into by members of the Group after the date falling the two years immediately preceding the date of this circular and up to the Latest Practicable Date, details of which were disclosed in the announcements of the Company dated 20 May 2025, 26 May 2025 and 18 September 2025 and the circular of the Company dated 18 September 2025:

(a) the machinery acquisition contract dated 2 December 2024 entered into between Golden Corn Biotech as the purchaser and Shanghai Senon Co., Ltd*(上海神農節能環保科技股份有限公司)("**Shanghai Senon**") as the vendor at a total consideration of RMB14,600,000;

(b) the machinery acquisition contract dated 2 December 2024 entered into between Golden Corn Biotech as the purchaser and Shanghai Senon as the vendor at a total consideration of RMB18,500,000;

(c) the machinery acquisition contract dated 2 December 2024 entered into between Golden Corn Biotech as the purchaser and Shanghai Senon as the vendor at a total consideration of RMB10,600,000;

(d) the machinery acquisition contract dated 2 December 2024 entered into between Golden Corn Biotech as the purchaser and Shanghai Senon as the vendor at a total consideration of RMB3,800,000;

(e) the machinery acquisition contract dated 14 February 2025 entered into between Golden Corn Biotech as the purchaser and Qidong Senon Machinery Co., Ltd*(啟東神農機械有限公司) as the vendor at a total consideration of RMB4,029,960;

(f) the machinery acquisition contract dated 20 May 2025 entered into between DGC as the purchaser and Shanghai Senon as the vendor at a total consideration of RMB20,600,000; and

(g) the construction contract dated 25 May 2025 entered into between DGC and Juneng Construction (as contractor) at a contract sum of RMB80,000,000.

Save for the Thermal Plant Construction Contract and as disclosed above, there had been no contract, not being a contract entered into in the ordinary course of business, entered into by members of the Group after the date falling two years immediately preceding the date of this circular and up to the Latest Practicable Date.

9. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. DOCUMENTS ON DISPLAY

A copy of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinastarch.com.hk) for a period of not less than 14 days before the date of the EGM:

(a) the Thermal Plant Construction Contract;

(b) the amendment agreement to the Thermal Plant Construction Contract dated 19 November 2025;

(c) the written consent referred to in the paragraph headed "7. Expert and Consent" in this appendix;

(d) the material contracts referred to in the paragraph headed "8. Material Contracts" in this appendix; and

(e) this circular.

11. MISCELLANEOUS

(a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The head office and principal place of business in Hong Kong is Room 1101-1104, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

(c) The Cayman Islands share registrar and transfer office of the Company is Suntera (Cayman) Limited at Suite 3204, Unit 2A Block 3, Building D, P.O. Box 1586 Gardenia Court Camana Bay Grand Cayman KY1-1100 Cayman Islands.

(d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) The company secretary of the Company is Mr. Leung Siu Hong, who is a fellow member of the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountant. He is also a fellow member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

(f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**Meeting**") of China Starch Holdings Limited ("**Company**") will be held at Room 1101-4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong at 11:30 a.m. on 30 January 2026 (Friday) to consider and, if thought fit, transact the following ordinary resolution(s) of the Company. Words and expressions that are not expressly defined in this notice of Meeting shall have the same meaning given to them in the circular of the Company dated 9 January 2026 (the "**Circular**"):

ORDINARY RESOLUTIONS

"**THAT**:

(a) the entering of the Thermal Plant Construction Contract and the terms and conditions thereof and transactions contemplated thereunder be and are hereby approved, confirmed and ratified in all respects; and any action(s) taken by any Director(s) in connection with or contemplated by the Thermal Plant Construction Contract and the transactions contemplated thereunder prior to the date of this resolution be and is(are) hereby approved, confirmed, ratified and adopted in all respects as fully as if such action(s) had been presented to for approval, and approved by, the shareholders of the Company prior to such action(s) being taken; and

(b) any one or more of the Directors be and is/are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such documents, instruments, deeds (whether or not with the affixation of common seal) and agreements, and to do all such acts, matters or things and take all such steps as he/she/they may in his/her/their discretion consider necessary, expedient, desirable or appropriate to effect the transactions contemplated under the Thermal Plant Construction Contract, and to agree to variations or modifications or waivers or matters relating to the terms and conditions of the Thermal Plant Construction Contract as are, in the opinion of the Directors, in the interest of the Company and the Shareholders as a whole.''

Yours faithfully,
By order of the Board
China Starch Holdings Limited
Tian Qixiang
Chairman

Hong Kong, 9 January 2026

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Room 1101-1104, 11/F
Harcourt House
39 Gloucester Road, Wanchai
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares (''**Shares**'') of the Company may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a shareholder of the Company.

2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if it/he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Shares shall alone be entitled to vote in respect thereof.

3. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.

4. To ascertain shareholders' eligibility to attend and vote at the Meeting, the register of members will be closed from 27 January 2026 (Tuesday) to 30 January 2026 (Friday), both days inclusive, during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on 30 January 2026 (Friday) will be entitled to attend and vote at the Meeting. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on 26 January 2026 (Monday).

5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. If a tropical cyclone warning signal number 8 or above is hoisted, or "extreme conditions" announced by the Hong Kong Government or a black rainstorm warning is/are in force any time after 7:00 a.m. on the date of the Meeting, the Meeting will not be held but will be adjourned to a later date in accordance with the articles of association of the Company. The Company will as soon as practicable post an announcement on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinastarch.com.hk).

7. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, 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