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)

PROFIT WARNING

This announcement is made by China Starch Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform its shareholders (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months period ended 31 May 2026 (the "**Period**"), the Group expects to record a loss before taxation of approximately RMB20 million as compared to a profit before taxation of RMB267 million for the same period last year. In the meantime, the Group is also expected to record loss attributable to the Shareholders of approximately RMB4 million as compared to profit attributable to Shareholders of RMB137 million for the same period last year.

The Group's business performance during the Period was affected by a combination of unfavourable market conditions. In the lysine segment, geopolitical disruptions continued to drive up export freight costs and constrain certain shipping routes, which caused 2026 export freight rates to remain significantly higher than that in the previous year. Consequentially, this resulted in an increase in overall landed costs weakened the competitiveness of Chinese-made lysine in overseas markets. Domestically, oversupply in the local lysine market and stagnant demand from the animal breeding sector continued to exert downward pressure on selling prices and sales volumes.

The Group also faced persistent cost pressure. Corn kernel prices remained elevated during the Period, while finished goods prices did not adjust at a corresponding pace, resulting in profit margin compression.

In addition to the abovementioned operational challenges, the industry environment for both lysine and cornstarch products has entered a prolonged phase of saturation and intensified oversupply. Although the Group maintains a leading position in the industry, the severity of the current cyclical downturn imposes significant impact on its profitability. The management expects such industry adjustment cycle will persist longer than historical market fluctuations.

To mitigate these challenges and reinforce its market position, the Group is progressing with strategic expansion projects, including the cornstarch expansion project and the construction of a thermal power plant at its Linqing production complex. These measures are expected to optimise production efficiency and enhance the Group's cost competitiveness within the industry. Details of the cornstarch expansion project and the construction of the thermal power plant are set out in the announcements of the Company dated 20 February 2025, 26 May 2025, and 19 November 2025 respectively.

The information contained in this announcement represents a preliminary assessment by the Board solely based on the unaudited consolidated management accounts of the Group for the Period with reference to information currently available, and the Board has not taken into consideration any figures or information which have been reviewed or confirmed by the audit committee of the Board, or reviewed or audited by the auditors of the Company. As such, the actual results of the Group for the six months ending 30 June 2026 may differ from those as disclosed in this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and read carefully the announcement of the interim results of the Group for the six months ending 30 June 2026, which is expected to be published in August 2026.

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

Shouguang, The People's Republic of China, 22 June 2026

As at the date of this announcement, the directors of the Company are:

Executive Directors:
Mr. Tian Qixiang (Chairman)
Mr. Gao Shijun (Chief Executive Officer)
Mr. Yu Yingquan
Mr. Liu Xianggang

Independent non-executive Directors:
Professor Chen Zhijun
Professor Gao Qunyu
Ms. Sze Tak On