CHINA STARCH HOLDINGS LIMITED
中國澱粉控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3838)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "Board") of directors (the "Directors") of China Starch Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026, together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Six months ended 30 June 2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Revenue	*3*	**5,022,418**	5,114,852
Cost of sales		**(4,888,732)**	(4,686,096)
Gross profit		**133,686**	428,756
Distribution expenses		**(67,774)**	(63,704)
Administrative expenses		**(119,453)**	(114,033)
Research expenses		**(23,034)**	(20,731)
Other net income	*4*	**21,134**	49,437
Operating (loss)/profit		**(55,441)**	279,725
Finance income		**18,794**	24,571
Finance expenses		**(5,943)**	(7,163)
(Loss)/profit before taxation	*5*	**(42,590)**	297,133
Income tax credit/(expense)	*6*	**5,795**	(71,497)
(Loss)/profit and total comprehensive (expenses)/income for the period		**(36,795)**	225,636
Attributable to:			
Owners of the Company		**(14,678)**	151,390
Non-controlling interests		**(22,117)**	74,246
		(36,795)	225,636
(Loss)/earnings per share			
Basic and diluted (RMB)	*7*	**(0.0025)**	0.0254

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**2,331,637**	2,046,622
Right-of-use assets		**438,591**	417,955
Intangible assets		**75,218**	75,519
Deposits for acquisition of property, plant and equipment		**129,556**	119,797
Equity investment		**26,974**	26,974
Total non-current assets		**3,001,976**	2,686,867
Current assets			
Inventories		**990,713**	771,979
Trade and other receivables	*9*	**633,030**	496,099
Income tax recoverable		**30,883**	13,636
Pledged bank deposits		**478,520**	995,638
Cash and cash equivalents		**1,986,780**	1,858,562
Total current assets		**4,119,926**	4,135,914
Total assets		**7,121,902**	6,822,781
EQUITY			
Equity attributable to owners of the Company			
Share capital		**520,592**	529,868
Other reserves		**570,198**	570,198
Retained earnings		**3,066,213**	3,137,527
		4,157,003	4,237,593
Non-controlling interests		**377,497**	413,114
Total equity		**4,534,500**	4,650,707
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**79,233**	91,398
Deferred income		**72,467**	78,802
Borrowings		**123,833**	60,516
Lease liabilities		**12,438**	12,596
Total non-current liabilities		**287,971**	243,312

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current liabilities			
Trade and other payables	*10*	**910,487**	648,141
Advances from customers		**206,441**	236,448
Borrowings		**1,158,455**	1,020,000
Employee housing deposits		**23,734**	23,864
Lease liabilities		**314**	309
Total current liabilities		**2,299,431**	1,928,762
Total liabilities		**2,587,402**	2,172,074
Total equity and liabilities		**7,121,902**	6,822,781

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 BASIS OF PREPARATION

The condensed consolidated interim financial statements of China Starch Holdings Limited (the "Company", together with its subsidiaries, the "Group") for the six months ended 30 June 2026 have been prepared in accordance with the disclosure requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the audited financial statements for the year ended 31 December 2025 (the "2025 Financial Statements"), except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. The condensed consolidated interim financial statements should be read in conjunction with the 2025 Financial Statements, which have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs").

Unless otherwise stated, these condensed consolidated interim financial statements are presented in Renminbi ("RMB"). The condensed consolidated interim financial statements have been prepared on the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities measured at fair value.

2 ADOPTION OF NEW/REVISED HKFRSs

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, Financial instruments, and HKFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments, are relevant to the Group's financial statements. The adoption of these amendments does not have any impact to the results and financial position of the Group.

3 SEGMENT INFORMATION

	Six months ended 30 June 2026		
	Upstream products *RMB'000*	**Fermented and downstream products** *RMB'000*	**Total** *RMB'000*
Sales to external customers	**3,191,441**	**1,830,977**	**5,022,418**
Inter-segment sales	**1,119,531**	**–**	**1,119,531**
Reportable segment results	**(32,324)**	**9,197**	**(23,127)**
Unallocated income			**6,641**
Unallocated expenses			**(38,955)**
Finance income			**18,794**
Finance expenses			**(5,943)**
Profit before income tax			**(42,590)**

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

4 OTHER NET INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Gain on sale of scrap material	**13,098**	12,855
Amortisation of government grants	**6,685**	37,530
Gain on futures	**659**	–
Government grant	**329**	253
Net foreign exchange gain	**203**	2,644
Gain/(loss) on disposals of property, plant and equipment	**118**	(6,216)
Others	**42**	2,371
	21,134	49,437

5 (LOSS)/PROFIT BEFORE INCOME TAX

The major expenses of the Group are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of inventories	**4,285,203**	4,018,342
Utilities purchased	**488,810**	517,423
Salaries and other related expenses	**162,201**	153,658
Depreciation of property, plant and equipment	**137,427**	134,737
Depreciation of right-of-use assets	**5,731**	5,185
Amortisation of intangible assets	**301**	–
Delivery and logistics	**50,848**	46,767
Research expenses (note)	**23,034**	20,731

Note:

Research expenses include cost of inventories, staff costs and depreciation, which are included in the above respective expenses, in the Research and Development Department of the Group.

6 INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax		
– PRC Enterprises Income Tax ("EIT")	**(8,856)**	80,797
– Over-provision in prior years	**(9,104)**	(4,933)
Deferred tax	**12,165**	(4,367)
	(5,795)	71,497

The Group's major business is in the PRC. Under the law of the PRC on EIT and its Implementation Regulation, the tax rate of the PRC subsidiaries is 25% for both periods, except for one subsidiary of the Group which is recognised as high technology enterprise is entitled to enjoy a preferential EIT rate of 15% (2025: 15%).

No provision for Hong Kong Profits Tax has been made as the Group entities' profit neither arose in nor was derived from Hong Kong during both periods.

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

7 (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
(Loss)/profit attributable to owners of the Company (RMB'000)	**(14,678)**	151,390
Weighted average number of ordinary shares in issue (thousands)	**5,947,685**	5,964,492

No diluted (loss)/earnings per share has been presented because no dilutive potential ordinary shares exist for both six months ended 30 June 2026 and 2025.

8 DIVIDENDS

The Board does not recommend any interim dividend for the six months ended 30 June 2026 (2025: nil).

The 2025 final dividend of HK0.98 cents (2024: HK0.98 cents) per share was approved and paid during the period.

9 TRADE AND OTHER RECEIVABLES

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade receivables	**150,851**	86,550
Bank acceptance bills	**253,680**	270,742
Prepayments and other tax receivables	**216,393**	124,985
Others	**12,106**	13,822
	633,030	496,099

The carrying amounts of trade and other receivables are mainly denominated in RMB.

The Group normally grants credit period ranging from 0 to 150 days (31 December 2025: 0 to 150 days) to customers.

At the end of the reporting period, the ageing analysis of trade receivables based on the invoice date is as follows:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
0-30 days	**143,564**	83,891
31-60 days	**7,287**	2,431
61-90 days	**–**	227
Over 90 days	**–**	1
	150,851	86,550

No loss allowance of trade receivables is recognised as at 30 June 2026 and 31 December 2025.

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

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Bills on hand	**189,233**	190,883
Endorsed bills	**64,447**	79,859
	253,680	270,742

The bank acceptance bills are normally with maturity period of 180 days (31 December 2025: 180 days). There is no recent history of default on bank acceptance bills.

10 TRADE AND OTHER PAYABLES

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade payables	**328,216**	262,578
Bills payables	**262,637**	108,635
Total trade and bills payables	**590,853**	371,213
Payable for construction and equipment	**144,820**	117,105
Payroll and welfare payables	**59,946**	53,356
Accrued expenses	**29,548**	23,645
Tender deposits	**35,699**	33,372
Other tax payables	**43,043**	42,629
Sales commission	**2,692**	2,225
Others	**3,886**	4,596
	910,487	648,141

The following is the ageing analysis for the trade and bills payables based on invoice date at the end of the reporting period:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
0-60 days	**244,129**	236,227
61-90 days	**4,101**	3,427
Over 90 days	**79,986**	22,924
	328,216	262,578

The average credit period on purchases is 80 days (31 December 2025: 80 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The carrying amounts of trade and other payables are mainly denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The first half of 2026 proved challenging for the Group's operating environment. The sluggish market conditions that persisted from the second half of last year into the first half of 2026 showed no signs of improvement. The industry faced a widespread state of oversupply across all major product lines.

In addition to subdued domestic demand, external pressures escalated significantly. Escalating disputes in the Middle East led to rising international transportation costs, while ongoing foreign anti-dumping investigations placed severe restrictions on export sales. This combination of trade barriers and shipping logistics forced products originally intended for export back into the domestic market, further exacerbating the oversupply situation in the domestic market and intensifying price competition.

Despite this severe external environment, the Group maintained disciplined internal management, achieving further improvements in operational efficiency while ensuring normal and robust internal controls. Financially, the Group remains in a strong position, supported by ample liquidity to weather ongoing market volatility.

As at the date of this announcement, the Company repurchased 154 million of its shares ("Shares"). This action intended to increase shareholder's return (in term of earnings per share) after the market can be recovered. We balanced the investment opportunity and the reward to shareholders.

Business & Expansion Project Updates

- **Linqing Production Complex Expansion:** The expansion plan at the Linqing production complex is progressing on schedule. Trial operation for the new cornstarch production line is expected to commence by the end of 2026.

- **Joint Venture Project:** The Group's joint venture project under Shouguang Juneng Musashino Biotechnology Co., Ltd., which involves the development of lactic acid esters production facilities with its joint venture partner, Musashino Chemical Laboratory, Ltd.* (株式會社武藏野化學研究所), is undergoing further appraisal. As several years have elapsed since the project's initiation in 2020, the current market environment differs significantly from when it was originally conceived. Both parties are responsibly assessing resource allocation and investment to evaluate the feasibility of the project. The Company will make further announcements in accordance with the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") as and when appropriate.

Outlook & Long-Term Strategy

Looking ahead to the second half of 2026, the Group expects market conditions to remain challenging, with no clear signs of a near-term recovery. The Group expects and endeavours to navigate a difficult period in the short term.

To address these persistent market challenges and safeguard long-term performance, the Group will pursue the following strategic priorities:

1. **Efficiency Enhancement & Cost Optimization:** Continuously drive operational efficiency improvements and implement stringent cost controls to counter the low-margin, oversupplied environment.

2. **Prudent Capital Allocation:** Maintain a cautious approach toward future expansion projects, specifically steering clear of products subject to capacity gluts.

The Board would like to extend its sincere appreciation to all staff for their unwavering dedication and invaluable contributions during this challenging period. Despite prevailing market headwinds, the Board remains confident in the Group's core operational strengths and long-term resilience.

* English transliteration for identification only.

BUSINESS REVIEW

Upstream products

In the first half of 2026, the cornstarch industry continued to navigate a challenging operating environment. Firstly, the broader market experienced severe oversupply pressures across both cornstarch and its by-products. Secondly, despite broader economic headwinds and sluggish market conditions, the market price of corn kernels remained higher during the period under review compared to the corresponding period in 2025. This cost increase was primarily driven by (i) a substantial reduction in corn imports alongside tighter policy controls on foreign feed substitutes and (ii) proactive state reserve purchases that effectively removed spot supply from commercial circulation.

Although selling prices for upstream products underwent adjustments, these price movements failed to keep pace with the elevated raw material costs. Consequently, the industry experienced significant margin compression, as manufacturers were unable to fully pass on cost increases to downstream customers.

In addition, sales volume of upstream products decreased during the period under review. This reduction was primarily attributable to the production capacity impacted by the dismantlement work at the Linqing production facility, which commenced in the first half of 2025. By contrast, the corresponding period in 2025 still benefited from partial production output generated by the facility prior to its demolition. Furthermore, major products, including cornstarch, recorded negligible export sales during the current period compared to corresponding period in 2025, further impacting overall volume performance.

Fermented and downstream products

In the first half of 2026, the Group continued to operate in a complex and demanding market environment. Overall business performance across various product lines was shaped by persistent oversupply, evolving international trade dynamics, and broader economic headwinds.

During the period under review, the lysine segment was primarily impacted by severe industry oversupply, coupled with ongoing foreign anti-dumping investigations and both international and domestic delivery expenses. Consequently, export sales volume declined by approximately 9.7% compared to the corresponding period in 2025, while average export selling prices fell substantially. In response to these trade barriers and freight cost pressures, the Group strategically redirected a larger portion of its sales focus towards the domestic market.

The starch-based sweetener business experienced continued headwind during the period under review. Management maintains a prudent outlook for the upcoming summer period and national holidays—traditionally the peak demand season for the sweetener sector. At present, the market has yet to demonstrate strong signals or momentum for additional purchase orders, keeping overall sales and profitability under pressure.

The modified starch segment delivered a relatively solid performance compared to other downstream product categories during the period under review. Operating under ongoing environmental compliance, the sewage control measures currently in place continued to dictate and constrain production output levels.

While the new biobased materials segment was not immune to general macroeconomic headwinds, it demonstrated sales volume resilience. Sales quantity recorded a year-on-year increase during the first half of 2026; however, heightened market competition and pricing pressures resulted in lower profit margins compared to prior corresponding period.

FINANCIAL PERFORMANCE

Overview

During the period under review, the Group's revenue dropped to RMB5,022,418,000 (2025: RMB5,114,852,000). Despite sluggish market conditions, average domestic corn kernel prices remained elevated and traded higher than in the corresponding prior-year period. Consequently, the Group faced dual margin pressures: declining market selling prices across major product lines alongside significantly higher raw material input costs. These adverse dynamics compressed operating margins and led to a contraction in gross profit, which stood at RMB133,686,000 for the six months ended 30 June 2026 (2025: RMB428,756,000).

The Group recorded a loss before taxation for the six months ended 30 June 2026 of RMB42,590,000 (2025: profit before taxation RMB297,133,000). The Group's loss after taxation for the period under review was RMB36,795,000 (2025: profit after taxation RMB225,636,000).

SEGMENT PERFORMANCE

Upstream products

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**3,191,441**	3,149,725
Gross profit	**78,672**	91,475
Gross profit margin	**2.5%**	2.9%

Revenue of upstream products increased slightly to RMB3,191,441,000 (2025: RMB3,149,725,000) primarily driven by upward adjustments in selling prices to partially offset elevated raw material cost pressures. During the period under review, sales volume of cornstarch was about 820,181 tonnes (2025: 856,500 tonnes) with average selling price standing at about RMB2,519 (2025: RMB2,465) per tonne.

Fermented and downstream products

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue		
– Lysine	**1,380,258**	1,553,051
– Starch-based sweetener	**220,065**	222,607
– Modified starch	**134,110**	110,250
– Others	**96,544**	79,219
Total	**1,830,977**	1,965,127
Gross profit	**55,014**	337,281
Gross profit margin	**3.0%**	17.2%

For the six months ended 30 June 2026, total turnover from fermented and downstream products segment decreased by 6.8% to RMB1,830,977,000 (2025: RMB1,965,127,000). Concurrently, segment gross profit contracted sharply to RMB55,014,000 (2025: RMB337,281,000) with the gross profit margin dropping significantly to 3.0% (2025: 17.2%).

Revenue from lysine products decreased to RMB1,380,258,000 for the six months ended 30 June 2026 (2025: RMB1,553,051,000). In response to ongoing trade barriers against Chinese exports, the Group strategically redirected its sales efforts toward the domestic market. For the period under review, the sales volume of lysine products recorded 299,605 tonnes (2025: 275,187 tonnes). However, this volume growth was offset by a decline in average selling prices to RMB4,607 per tonne (2025: RMB5,644 per tonne), reflecting persistent industry oversupply and heightened pricing competition.

Revenue from starch-based sweetener amounted to RMB220,065,000 (2025: RMB222,607,000). During the period under review, the Group recorded an increase in sales volume accompanied by a decline in average selling price, which largely offset each other. Total sales volume of starch-based sweeteners expanded by approximately 10.9% year-on-year to 109,814 tonnes (2025: 99,046 tonnes), as the Group adjusted its pricing strategy to safeguard its market share and maintain order flow. Consequently, this competitive price reduction drove down the average selling price by approximately 10.8% to RMB2,004 per tonne (2025: RMB2,248 per tonne), effectively neutralizing the financial gains from higher sales volume.

Revenue of modified starch increased substantially to RMB134,110,000 (2025: RMB110,250,000). During the period under review, the implementation of proper sewage disposal measures allowed the modified starch production output to normalize.

Revenue of new biobased material and others was RMB96,544,000 (2025: RMB79,219,000). In light of the challenging macroeconomic environment and intensified industry competition, the performance of the biobased materials segment remained resilient during the period under review. This was largely attributable to management's proactive efforts to expand the Group's distribution channels, which successfully supported order intake and drove an increase in sales volume.

Cost of sales

The total cost of sales of the Group for the period under review was approximately RMB4,888,732,000 (2025: RMB4,686,096,000). The increase in production costs during the first half of 2026 was primarily driven by higher corn kernel prices, partially offset by savings in utility expenses.

During the first half of 2026, the average procurement costs (RMB: 2,175 per tonne, net of value-added tax) for corn kernel (the Group's primary raw material) increased compared to the same period in 2025 (2025: RMB2,068 per tonne). This upward trajectory was mainly driven by strong procurement demand from the national grain reserve, reduced corn imports, and tight domestic supply during the period under review.

Overall utility expenses decreased during the period under review. Specifically, electricity costs declined following a tariff reduction announced by the state grid in the first half of 2026. Meanwhile, steam procurement expenses remained lower, benefiting from a downward price adjustment in the second half of 2025 driven by lower market coal prices.

The Group did not enter into any forward/futures contracts to hedge the price fluctuation of corn kernel during the period under review.

REVIEW OF OTHER OPERATIONS

Distribution and administrative expenses

During the period under review, distribution expenses increased to RMB67,774,000 from RMB63,704,000 for the corresponding period in 2025. During the period under review, delivery and logistic expenses rose due to higher gasoline prices. Concurrently, marketing expenses increased as the Group intensified its marketing efforts and actively expanded its distribution network to drive market penetration.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Distribution expenses:		
Delivery and logistic	**50,848**	46,767
Marketing expenses	**7,968**	7,604
Staff costs	**5,782**	5,624
Others	**3,176**	3,709
	67,774	63,704

Administrative expenses increased to RMB119,453,000 (2025: RMB114,033,000) during the period under review. This was primarily attributable to higher staff costs resulting from an increase in PRC social security and pension contributions, alongside an increased depreciation charge. These cost increases were partially offset by a reduction in government levies during the period.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Administrative expenses:		
Staff costs	**67,197**	60,077
Depreciation and amortisation	**23,134**	18,090
Government levies	**16,079**	22,147
Others	**13,043**	13,719
	119,453	114,033

Research expenses

During the period under review, research expenses increased to RMB23,034,000 from RMB20,731,000. Research expenses mainly consisted of material costs, depreciation and staff costs.

Other net income

Other net income decreased significantly to approximately RMB21,134,000 (2025: RMB49,437,000) during the period under review. The decrease in other net income was due to the completion of amortisation of certain government grants in 2025.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Gain on sales of scrap materials	**13,098**	12,855
Amortisation of government grants	**6,685**	37,530
Gain on futures	**659**	–
Government grants (one-off)	**329**	253
Net foreign exchange gain	**203**	2,644
Gain/(losses) on disposal of property, plant and equipment	**118**	(6,216)
Others	**42**	2,371
	21,134	49,437

Liquidity, financial resources and capital structure

The key financial performance indicators are summarised as follows:

	Units	**30 June 2026**	31 December 2025
Debtors turnover	days	**14**	13
Creditors turnover	days	**18**	10
Inventories turnover	days	**32**	27
Current ratio	times	**1.8**	2.1
Quick ratio	times	**1.4**	1.7
Gearing ratio – borrowings to total assets	%	**18.0**	15.8

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. As at 30 June 2026, most of the borrowings of the Group were short-term borrowings. The aggregated bank borrowings of RMB1,224,095,000 were denominated in Renminbi and were carried interest at fixed rates. The loan from a controlling shareholder of RMB58,193,000 was denominated in Hong Kong Dollar and carried interest at a fixed rate of 0.5% per annum. The Group's cash and cash equivalents were mostly denominated in Renminbi.

Human resources and remuneration policies

As at 30 June 2026, the Group had 2,177 (31 December 2025: 2,201) staff. Total staff costs, including directors' emoluments, for the six months ended 30 June 2026 were approximately RMB162,201,000 (2025: RMB153,658,000). The increase in total staff costs was primarily attributable to an increase in PRC social security and pension contributions during the period under review.

The Company's remuneration policy has remained unchanged since our 2025 Annual Report. As at 30 June 2026, no share options have been granted under the Company's share option scheme.

Financial management, treasury policy and foreign currency exposure

The Group's financial management, treasury policy and foreign currency exposure had not been materially changed since the information disclosed in our 2025 Annual Report.

Pledge of assets

As at 30 June 2026, the Group pledged bank deposits, land and buildings with an aggregate carrying amount of RMB544 million to certain banks to secure credit facilities granted to the Group.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2026.

Significant investments

Save for the business development plans as disclosed in this announcement, the Group did not have other significant investments or future plans for material investments or capital assets as at 30 June 2026.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2026.

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

During the six months ended 30 June 2026, the Company repurchased 104,465,000 Shares on the Stock Exchange at prices ranging from HK$0.146 to HK$0.19 per share for a total consideration of approximately HK$17,569,000 (before expenses). We also repurchased additional 49,535,000 Shares on the Stock Exchange at prices ranging from HK$0.155 to HK$0.178 per share for a total consideration of approximately HK$8,389,000 (before expenses) between 1 July 2026 and 17 July 2026. All repurchased Shares were subsequently cancelled on 3 August 2026.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if applicable) during the period under review.

CORPORATE GOVERNANCE

During the six months ended 30 June 2026, the Company had complied with the applicable code provisions as set out in Part 2 of Appendix C1 to the Listing Rules and had applied the principles as laid down with the aim of achieving a high level of governance, except that Mr. Tian Qixiang (the chairman of the Board) did not attend the 2026 annual general meeting because of his other business engagement.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2026.

INTERIM REPORT

The 2026 Interim Report will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company (www.chinastarch.com.hk) on or about 11 September 2026.

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

Shouguang, The People's Republic of China, 19 August 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