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## CHINA STARCH HOLDINGS LIMITED

中國澱粉控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3838)

### POSITIVE PROFIT ALERT

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

The board of directors (the “**Board**”) of the Company wishes to inform its shareholders (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Period**”), the Group is expected to record a substantial growth in revenue and profit before taxation by approximately 48% and 58% respectively as compared to the corresponding period in 2020.

The Board believes that the substantial increase in the Group’s revenue and profit before taxation for the Period is mainly attributable to the following factors:

- (i) The Group has increased our products’ selling prices to reflect the increase in corn kernel cost.
- (ii) Benefit from the recovery of the pig farming industry since the fourth quarter of 2020, the market has demonstrated restorative growth for lysine products.

(iii) The Group has achieved further economies of scale following the full operation of Shouguang Golden Corn Biotechnology Limited, an indirect non-wholly owned subsidiary of the Company, in March 2020.

The Board is prudent on the financial performance of the Group in the remaining period of 2021. The prosperity of the Group is subject to many factors, such as any resurgence of COVID-19, the current degree of excessive supply of various products such as lysine and sweeteners which is affecting their market price, corn kernel market price movement and our cost-shifting ability.

The information contained in this announcement is based on the preliminary assessment by the Board mainly with reference to information currently available, including the unaudited consolidated management accounts of the Group for the Period, which is yet to be finalized and has not yet been audited or reviewed by the auditor of the Company. As such, the actual financial results of the Group for the six months ending 30 June 2021 may be different from what is disclosed in this announcement.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Shouguang, The People's Republic of China, 23 July 2021

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

***Executive Directors:***

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

***Independent non-executive Directors:***

Professor Hua Qiang  
Mr. Sun Mingdao  
Mr. Yue Kwai Wa, Ken