CHINA STAR FOOD GROUP LIMITED
中国之星食品集团

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200718683N)
SGX Stock Code: **42W**

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. ("**Sponsor**") in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Three Months Ended			Nine Months Ended		
	31-Dec-2019	31-Dec-2018	Change	31-Dec-2019	31-Dec-2018	Change
	Unaudited Q3 FY2020	Unaudited Q3 FY2019		Unaudited 9M FY2020	Unaudited 9M FY2019	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	104,063	113,300	(8.2)	301,856	287,683	4.9
Cost of sales	(78,479)	(82,626)	(5.0)	(220,505)	(205,834)	7.1
Gross profit	25,584	30,674	(16.6)	81,351	81,849	(0.6)
Interest income	105	956	(89.0)	893	2,238	(60.1)
Other income	215	213	0.9	642	672	(4.5)
Marketing and distribution costs	(13,727)	(7,928)	73.1	(31,633)	(13,937)	127.0
Administrative expenses	(11,106)	(8,733)	27.2	(32,623)	(26,334)	23.9
Other operating expenses	-	(84)	(100.0)	-	(474)	(100.0)
Other losses	(4)	-	n.m.	(34)	-	n.m.
Finance costs	(438)	(365)	20.0	(1,398)	(972)	43.7
Profit before income tax	629	14,733	(95.7)	17,199	43,042	(60.0)
Income tax expense	(50)	(2,942)	(98.3)	(1,469)	(9,159)	(84.0)
Profit for the period, net of tax	579	11,791	(95.1)	15,729	33,883	(53.6)
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	5	7	(28.6)	(130)	357	(136.4)
Total comprehensive income for the period	584	11,798	(95.1)	15,599	34,240	(54.4)

n.m. - not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit for the financial period is stated after charging/(crediting) the following:	Three Months Ended		Nine Months Ended	
	31-Dec-2019 (Unaudited) RMB'000	31-Dec-2018 (Unaudited) RMB'000	31-Dec-2019 (Unaudited) RMB'000	31-Dec-2018 (Unaudited) RMB'000
Amortisation of intangible assets	238	878	1,995	2,635
Depreciation of property, plant and equipment	2,407	2,656	10,751	7,560
Interest expense	438	365	1,398	972
Interest income	(105)	(956)	(893)	(2,238)
Property, plant and equipment written off	-	-	-	59

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31-Dec-2019 (Unaudited) RMB'000	31-Mar-2019 (Audited) RMB'000	31-Dec-2019 (Unaudited) RMB'000	31-Mar-2019 (Audited) RMB'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	142,236	157,617	-	-
Intangible assets	38,805	40,800	-	-
Investment in subsidiaries	-	-	803,636	803,636
Other receivables, non-current	4	-	-	-
Other assets, non-current	66,541	112,266	-	-
Total Non-Current Assets	247,586	310,683	803,636	803,636
Current Assets				
Inventories	3,286	4,074	-	-
Trade and other receivables	42,725	31,429	34,532	14,981
Other assets, current	92,916	60,307	324	400
Cash and bank balances	150,849	62,475	2,627	2,480
Income tax receivables	1,607	-	-	-
Total Current Assets	291,383	158,285	37,483	17,861
Total Assets	538,969	468,968	841,119	821,497
EQUITY AND LIABILITIES				
Equity				
Share capital	152,980	130,362	852,404	829,786
Retained earnings/(accumulated losses)	256,967	243,552	(64,525)	(59,577)
Other reserves	48,504	46,320	47,521	46,454
Total Equity	458,451	420,234	835,400	816,663
Current Liabilities				
Income tax payable	-	140	-	-
Trade and other payables	52,429	26,638	2,301	2,378
Other financial liabilities	28,089	21,956	3,418	2,456
Total Current Liabilities	80,518	48,734	5,719	4,834
Total Liabilities	80,518	48,734	5,719	4,834
Total Equity and Liabilities	538,969	468,968	841,119	821,497

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

	As at 31-Dec-2019 (Unaudited)		As at 31-Mar-2019 (Audited)	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Amount repayable in one year or less, or on demand	8,068	20,000	9,000	12,956
Amount repayable after one year	-	-	-	-
Total borrowings	8,068	20,000	9,000	12,956

Details of any collateral

As at 31 December 2019 and 31 March 2019, the Group's borrowings were secured by:
(i) certain pledged fixed deposits;
(ii) mortgages of a leasehold building and land use rights held by a subsidiary of the Company;
(iii) corporate guarantee given by the said subsidiary of the Company; and
(iv) personal guarantee provided by one of the Company's directors and his spouse.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	Three Months Ended		Nine Months Ended	
	31-Dec-2019 (Unaudited) RMB'000	31-Dec-2018 (Unaudited) RMB'000	31-Dec-2019 (Unaudited) RMB'000	31-Dec-2018 (Unaudited) RMB'000
Cash flows from operating activities				
Profit before income tax	631	14,733	17,200	43,042
Interest income	(105)	(956)	(893)	(2,238)
Interest expense	438	365	1,397	972
Depreciation of property, plant and equipment	2,407	2,656	10,751	7,560
Property, plant and equipment written-off	-	-	-	59
Amortisation of intangible assets	238	878	1,995	2,635
Exchange differences on translating functional to presentation currency	54	7	(131)	357
Operating cash flow before changes in working capital	**3,614**	**17,683**	**30,319**	**52,387**
Inventories	1,352	(640)	788	(2,415)
Trade and other receivables	(8,765)	10,236	(10,650)	14,773
Other assets	1,828	(76,545)	23,617	(75,506)
Trade and other payables	19,009	27,695	25,789	22,000
Net cash flows from operations	**17,036**	**(21,571)**	**69,863**	**11,239**
Income tax paid	(1,386)	(4,390)	(3,215)	(7,614)
Net cash flows from/(used in) operating activities	**15,652**	**(25,961)**	**66,648**	**3,625**
Cash flows from investing activities				
Purchase of property, plant and equipment	(921)	(14,163)	(5,870)	(22,307)
Interest income received	105	108	241	541
Net cash flows used in investing activities	**(816)**	**(14,055)**	**(5,629)**	**(21,766)**
Cash flows from financing activities				
Proceeds from issuance of new shares	-	-	22,619	14,196
Proceeds from new bank loans	21	11,525	22,633	20,525
Repayment of bank loans	-	(9,800)	(16,500)	(16,300)
Repayment of loan to director and shareholder	-	-	-	(1,689)
Increase in pledged fixed deposits	(11)	(12)	(133)	(2,524)
Interest expense paid	(437)	(365)	(1,397)	(972)
Net cash flows (used in)/from financing activities	**(427)**	**1,348**	**27,222**	**13,236**
Net change in cash and cash equivalents	14,409	(38,668)	88,241	(4,905)
Cash and cash equivalents at beginning of financial period	133,851	160,341	60,019	126,578
Cash and cash equivalents at end of financial period	**148,260**	**121,673**	**148,260**	**121,673**
Comprising:				
Cash and cash equivalents			148,260	121,673
Fixed deposits with banks			2,589	2,524
Cash and bank balances			**150,849**	**124,197**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

Group

	Share capital (Unaudited) RMB'000	Other reserves (Unaudited) RMB'000	Retained earnings (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
Balance at 1 October 2019	152,980	46,185	258,702	457,867
Total comprehensive income for the period				
Profit for the period	-	-	579	579
Other comprehensive income	-	5	-	5
Total comprehensive income for the period	-	5	579	584
Transactions with owners, recognised directly in equity				
Transferred from retained earnings	-	2,314	(2,314)	-
Total transactions with owners	-	2,314	(2,314)	-
Balance as at 31 December 2019	152,980	48,504	256,967	458,451
Balance at 1 October 2018	130,362	41,647	246,691	418,700
Total comprehensive income for the period				
Profit for the period	-	-	11,791	11,791
Other comprehensive income	-	7	-	7
Total comprehensive income for the period	-	7	11,791	11,798
Transactions with owners, recognised directly in equity				
Transferred from retained earnings	-	3,845	(3,845)	-
Total transactions with owners	-	3,845	(3,845)	-
Balance as at 31 December 2018	130,362	45,499	254,637	430,498

Company

	Share capital (Unaudited) RMB'000	Other reserves (Unaudited) RMB'000	Retained earnings (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
Balance at 1 October 2019	852,404	47,375	(63,434)	836,345
Total comprehensive income for the period				
Profit for the period	-	-	(1,091)	(1,091)
Other comprehensive income	-	146	-	146
Total comprehensive income/(loss) for the period	-	146	(1,091)	(945)
Balance as at 31 December 2019	852,404	47,521	(64,525)	835,400
Balance at 1 October 2018	829,786	46,830	(56,567)	820,049
Total comprehensive income for the period				
Profit for the period	-	-	(1,467)	(1,467)
Other comprehensive income	-	96	-	96
Total comprehensive income/(loss) for the period	-	96	(1,467)	(1,371)
Balance as at 31 December 2018	829,786	46,926	(58,034)	818,678

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the issued share capital of the Company since 30 September 2019 to 31 December 2019.

Save for the above, the Company does not have any outstanding options, convertibles, treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018. Accordingly, the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding is nil% as at 31 December 2019 and 31 December 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 31 December 2019	As at 31 March 2019
Total number of issued shares	593,818,100	296,909,050

The Company did not have any treasury shares as at 31 December 2019 and 31 March 2019.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditor.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those in the most recently audited consolidated financial statements for the financial year ended 31 March 2019 as set out in the Company's annual report.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the applicable new and revised Financial Reporting Standards ("**FRS**") in Singapore and the related Interpretations to FRS ("**INT FRS**") that are relevant to its operation and effective for the accounting periods beginning on or after 1 April 2019. The adoption of these new and revised FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per share ("EPS")	Three Months Ended		Nine Months Ended	
	31-Dec-2019 (Unaudited)	31-Dec-2018 (Unaudited)	31-Dec-2019 (Unaudited)	31-Dec-2018 (Unaudited)
Profit for the period (RMB'000)	579	11,791	15,729	33,883
Weighted average number of ordinary shares in issue (in thousands)	537,675	296,909	537,675	296,909
Basic EPS (RMB cents)	0.11	3.97	2.93	11.41
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	537,675	296,909	537,675	296,909
Fully diluted EPS (RMB cents)	0.11	3.97	2.93	11.41

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
(a) Current period reported on; and
(b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	31-Dec-2019 (Unaudited)	31-Mar-2019 (Audited)	31-Dec-2019 (Unaudited)	31-Mar-2019 (Audited)
NAV (RMB'000)	458,451	420,234	835,400	816,663
Number of ordinary shares in issue (in thousands)	593,818	296,909	593,818	296,909
NAV per ordinary share (RMB)	0.77	1.42	1.41	2.75

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Consolidated Statement of Comprehensive Income

Revenue

Revenue decreased by approximately RMB 9.2 million or 8.2%, from RMB 113.3 million for the third quarter ended 31 December 2018 ("**Q3 FY2019**"), to RMB 104.1 million for the third quarter ended 31 December 2019 ("**Q3 FY2020**"). The decrease in revenue was mainly due to the decrease in sales of the Group's preserved fruit series, the sweet potato candy series, whole grain snacks and the candy series.

Gross Profit and Gross Profit Margin

Gross profit of approximately RMB 25.6 million in Q3 FY2020 was lower as compared to RMB 30.7 million in Q3 FY2019. The decrease in gross profit of approximately RMB 5.1 million or 16.6% was mainly due to lower revenue and higher cost of sales recorded in Q3 FY2020 as compared to Q3 FY2019. The Group's gross profit margin decreased from approximately 27.1% in Q3 FY2019 to 24.6% in Q3 FY2020. The decrease was due to higher costs and different profit margins across its range of product categories.

Interest Income

Interest income decreased by approximately RMB 0.9 million or 89.0% to RMB 0.1 million in Q3 FY2020 as compared to RMB1.0 million Q3 FY2019. The decrease was due to a one-time non-recurring unwinding of discount on other receivables from a supplier which was recorded in Q3 FY2019.

Other Income

Other income remained relatively stable at approximately RMB 0.2 million in both Q3 FY2020 and Q3 FY2019.

Marketing and Distribution Costs

Marketing and distribution costs increased by approximately RMB 5.8 million or 73.1% in Q3 FY2020 as compared to Q3 FY2019. This was mainly due to the increase in publicity expenses and advertisement costs of approximately RMB 6.5 million for Q3 FY2020. The increase was in line with the change in channel management strategy adopted by the Group.

Administrative Expenses

Administrative expenses increased from approximately RMB 8.7 million in Q3 FY2019 to RMB 11.1 million in Q3 FY2020. The increase of approximately RMB 2.4 million or 27.2% was due to an increase in staff welfare and employment benefit expenses, research and development expenses, being provisions for future development of an improved strain of sweet potato seedlings, as well as higher depreciation expenses recorded during the period under review.

Finance Costs

Finance costs increased by approximately RMB 73,000 or 20.0% to RMB 0.4 million in Q3 FY2020 as compared to Q3 FY2019. The increase of the finance costs is due to higher interest expenses incurred on bank loans.

Income Tax Expense

Income tax expense decreased by approximately RMB 2.9 million or 98.3% in Q3 FY2020. This was due to the lower profit before income tax generated by the Group in Q3 FY2020 as compared to the previous corresponding periods.

Consolidated Statement of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 December 2019 and 31 March 2019.

Non-current Assets

There was a decrease in the Group's total non-current assets of approximately RMB 63.1 million or 20.3%, from RMB 310.7 million as at 31 March 2019 to RMB 247.6 million as at 31 December 2019. This was mainly due to a decrease in other assets (non-current) of approximately RMB 45.7 million or 40.7% arising from (i) amortisation of long-term deferred expenses and (ii) decrease in advance payments to suppliers whose delivered supplies of raw sweet potatoes will be recognised and offset against the payments over the contractual period. As at 31 December 2019, other assets (non-current) amounted to approximately RMB 66.5 million, comprising mainly advance payments to suppliers for the three long-term supply contracts of raw sweet potatoes.

Plant, property and equipment ("**PPE**") and intangible assets decreased by approximately RMB 15.3 million and RMB 2.0 million, or 9.8% and 4.9% respectively. This was due to lower additions to PPE as well as depreciation and amortization expense recorded on PPE and intangible assets respectively in Q3 FY2020.

Current Assets

Inventories decreased by approximately RMB 0.8 million or 19.3% from RMB 4.1 million as at 31 March 2019 to RMB 3.3 million as at 31 December 2019. This was mainly due to the increase of finished goods in fulfilment of production demand.

Trade and other receivables increased by approximately RMB 11.3 million or 35.9% from RMB 31.4 million as at 31 March 2019 to RMB 42.7 million as at 31 December 2019. This increase was due to the increase in sales to new customers in Q3 FY2020.

Other assets (current) increased by approximately RMB 32.6 million or 54.1% from RMB 60.3 million as at 31 March 2019 to RMB 92.9 million as at 31 December 2019. This was mainly due to increase in advance payments made by the Group for the delivery of raw sweet potato supplies from contracted suppliers.

Cash and bank balances increased by approximately RMB 88.4 million or 141.5% as a result of net cash generated the Group's operations, proceeds from the rights issue completed in May 2019 and proceeds from short-term bank loans taken up by the Group. Please refer to the "Consolidated Statement of Cash Flows" section below for more details on the change in cash and cash equivalents of the Group.

The Company wishes to highlight that the free cash position at the company level as at 31 December 2019 amounts to approximately RMB 0.1 million, which excludes RMB 2.6 million of fixed deposits pledged for bank facility. With regard to this, the Company wishes to update that it is still in discussions with the relevant banking institution to explore possibly renewing and/or re-negotiating the current secured revolving loan to ensure that the Company has continued access to funding facilities at the company level should the need arise. Notwithstanding, (a) Mr Liang, Executive Chairman and Chief Executive Officer, has provided an undertaking to provide financial assistance to the Company as and when the Company requires it, and (b) the Company will be assessing its options of raising additional funds from the capital markets in the event that is required. In this regard, the Company note that the recent rights issue was fully subscribed by its shareholders.

In view of the above, the Board is of the reasonable opinion that the Company is able to operate as a going concern and that the working capital available to the Company is sufficient for its present requirements and for the next 12 months.

Current Liabilities

Trade and other payables increased by approximately RMB 25.8 million or 96.8% from RMB 26.6 million as at 31 March 2019 to RMB 52.4 million as at 31 December 2019. This was mainly due to increase in other payables for publicity and advertisement expenses.

Other financial liabilities increased by approximately RMB 6.1 million or 27.9% from RMB 22.0 million as at 31 March 2019 to RMB 28.1 million as at 31 December 2019. This was mainly due to the increase in unsecured short-term borrowings obtained by the Group as at 31 December 2019. The rationale to increase the Group's borrowings was to foster a banking relationship in Singapore and build its credit track record with a longer-term view of having alternate financing options for future expansion purposes.

Consolidated Statement of Cash Flows

The Group recorded net cash from operating activities of approximately RMB 15.7 million in Q3 FY2020 as compared to net cash used in operating activities of RMB 25.9 million in Q3 FY2019. This comprised of positive operating cash flow before changes in working capital of approximately RMB 3.6 million, adjusted by net working capital inflow of RMB 13.4 million and income tax paid of RMB 1.4 million.

Net cash used in investing activities amounting to approximately RMB 0.8 million in Q3 FY2020 mainly relates to the purchase of PPE.

Net cash used in financing activities was RMB 0.4 million in Q3 FY2020 as compared to net cash from financing activities of RMB 1.3 million in Q3 FY2019. This was mainly due to an increase in interest expenses, which was partially offset by a decrease in proceeds from the short-term borrowings as well as a decrease in pledged fixed deposits as compared to Q3 FY2019.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No specific forecast was previously provided.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The recent outbreak of the Wuhan Coronavirus had prompted the Chinese government to extend the Lunar New Year holiday to 9 February 2020 and strict preventive measures have since been put in place to combat the epidemic. Due to this epidemic, economic activities are expected be affected and economic growth in China is also expected to be lower than the 6.1% recorded in 2019.

Due to the preventive measures taken by the Chinese government, the Group will be resuming its operations gradually, taking extra precautions for all its employees and complying to the government's directives. As of the current situation, the Company is of the view that the Group's financial performance will be affected in the near term.

Despite the ongoing epidemic, the Group remains committed to build growth through investing in targeted marketing campaigns to promote and drive sales for its proprietary range of sweet potato snack food and to increase market penetration in both existing and new markets.

The Company will continuing monitor the evolving situation in China and endeavor to provide regular and timely updates to the shareholders in due course.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

No.

(c) Date Payable

Not applicable.

(d) Book Closure Date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and reason(s) for the decision.

No dividend has been declared or recommended for Q3 FY2020. The Group intends to fulfill the capital commitment of Fujian Zixin's registered share capital before deciding on whether the Company should declare dividends. In deciding whether dividends are to be declared, the Board will assess, among others, the Group's financial performance and position in respect of the relevant financial period.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained an IPT mandate pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST. There was no IPT of S$100,000 and above (or equivalent) for the current financial period reported on.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Catalist Listing Rules.

15. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for Q3 FY2020 to be false or misleading in any material aspect.

By Order of the Board
China Star Food Group Limited

LIANG CHENGWANG
Executive Chairman and Chief Executive Officer

14 February 2020