CHINA STAR FOOD GROUP
中国之星食品集团

(Incorporated in the Republic of Singapore with Unique Entity No.: 200718683N)
Website: www.zixinshuye.com
SGX Stock Code: **42W**

USE OF PROCEEDS FROM PLACEMENT

Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Earlier Announcements (as defined below).

The board of directors (the "**Board**" or the "**Directors**") of China Star Food Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 22 January 2021, 26 January 2021, and 1 February 2021 (collectively, the "**Earlier Announcements**") in relation to the placement exercise that was completed by the Company on 1 February 2021 (the "**Placement**").

As at the date of this announcement, the utilisation of the Net Cash Proceeds from the Placement is set out as follows:

	Allocation of the Net Cash Proceeds (S$'000)	**Amount utilised as at the date of this announcement (S$'000)**	**Balance (S$'000)**
Partial funding towards the construction of Phase 1 of the Project[(1)]	4,515	-	4,515
Working capital for the Group's Singapore office	1,119	702[(2)]	417
Total	**5,634**	**702**	**4,932**

Notes:

(1) Please refer to the Company's announcement dated 22 January 2021 for further details.

(2) A breakdown of the amount utilised for the working capital for the Group's Singapore office is as follows:

	Working Capital (S$'000)
Summary of expenses:	
Employee benefit expenses (including director's remuneration)	576[(i)]
Professional fees	57
Administrative and miscellaneous expenses	69
Total	**702**

Note:

(i) Mainly due to the payment of outstanding salary payables due to a director of the Company amounting to approximately S$0.55 million.

The above utilisation of the Net Cash Proceeds from the Placement is consistent with the intended use as disclosed in the Company's announcement dated 22 January 2021 in relation to the Placement. The Company will continue to make periodic announcements as and when the balance of the Net Cash Proceeds is materially disbursed or utilised, and will also provide a status report on the use of proceeds in the Company's interim and full year financial statements as well as its annual report.

By order of the Board of
CHINA STAR FOOD GROUP LIMITED

Liang Chengwang
Executive Chairman and Chief Executive Officer

17 March 2021

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*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**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 assumes 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 Andrew Leo, Chief Executive Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.