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**

UPDATE ON THE GROUP'S EXPANSION INTO HIGH-TECH MANUFACTURING AND RESEARCH CAPABILITIES

The Board of Directors (the "**Board**") of China Star Food Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 2 March 2021 (the "**March Update**") and wishes to provide an update to shareholders on the progress of the Group's expansion into high-tech manufacturing and research capabilities.

The Group's wholly-owned subsidiary, Fujian Zixin Biological Potato Co., Ltd 福建紫心生物薯业有限公司 ("**Zixin**"), had on 12 August 2021 commenced construction of the first phase of its intended development on the plot of land which is in close proximity to the existing office and production premises of Zixin.

Ground-breaking Ceremony 奠基仪式





Source: Company

As stated in the March Update, construction under the first phase was expected to commence at the end of March 2021 and complete by end December 2022. The delay in the commencement on the first phase was due to structural alterations to the intended development and hence, certain approval was required from the relevant authorities before construction could commence.

Mr Liang Chengwang (梁承旺), Executive Chairman and CEO of China Star Food Group said, "**In our first phase of expansion, we will be focusing on the production of functional food with an installed annual production capacity of 35,000 tonnes. We believe our mainstay product – sweet potatoes, through research and development ("R&D") and coupled with modern day technology, can be minimally processed and yet enriched with nutrients for the well-being of consumers. R&D and manufacturing processes take time to develop and refine, but we believe the investment and efforts are necessary to maximise the value in our integrated operations.**"

In the last financial year, the Group, through its in-house cultivation solutions, had cultivated and produced chosen varieties of sweet potato seedlings in its dedicated area of 300mu (approximately 200,000m^2) to satisfy the cultivation of sweet potatoes on its contracted farmland of 8,268.6mu (approximately 5.5 million m^2) for the financial year ending 31 March 2022 ("**FY2022**").

Added Mr. Liang, "**While we are at the final stage of R&D for purple sweet potato powder, we are also looking into utilising technology to better manage our waste materials such as sweet potato skins. As we ramp up productivity for our sweet potato snack food, we have seen an increase in the amount of sweet potato skin being disposed over the years. In FY2021, we recorded 624.1 tonnes of sweet potato skin. The completion of the first phase will allow us to further expand our research and production capabilities, particularly in the area of functional food and turning wastage into value.**"

As previously announced in the Company's announcement dated 22 January 2021, the construction of the first phase will be partially financed by a portion of the funds raised in the placement exercise undertaken by the Company and completed in February 2021, while the remaining construction costs will be funded by internal resources. The first phase is expected to be completed by end December 2022.

Artist impression of the intended developments 预期发展的设计印象



Source: Company

The abovementioned development of the plot of land relates to an area of 56,019.31m^2 located at the Food Processing Zone SP-F1-4 (连城县食品加工区 SP-F1-4) in Liancheng County, China.

The Company will continue to update shareholders on material developments as and when they arise.

Cautionary Note:

Shareholders and potential investors are advised to exercise caution when dealing with the shares of the Company. Persons who are in doubt as to the action they should take, should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers before trading in or making any investment decision regarding the Company's securities.

By Order of the Board
China Star Food Group Limited

Liang Chengwang
Executive Chairman and Chief Executive Officer

17 August 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.

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