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 Placement 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 "**Placement Announcements**") in relation to the placement exercise that was completed by the Company on 1 February 2021 (the "**Placement**"). The Board further refers to the previous updates on the use of proceeds from the Placement as announced by the Company on 17 March 2021, 28 May 2021 and in the Company's Annual Report for the financial year ended 31 March 2021, which was announced on the SGXNet on 16 August 2021 (the "**FY2021 AR**").

Following the Company's previous update on the utilisation of the Net Cash Proceeds from the Placement in its FY2021 AR, the utilisation of the Net Cash Proceeds as at the date of this announcement is set out as follows:

	Allocation of the Net Cash Proceeds (S$'000)	**Balance brought forward from 16 August 2021(1) (S$'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(2)	4,515	4,515	2,918	1,597
Working capital for the Group's Singapore office	1,119	136	54(3)	82
Total	**5,634**	**4,651**	**2,972**	**1,679**

Notes:

(1) Please refer to page 64 of the FY2021 AR for further details.

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

(3) The amount utilised for working capital for the Group's Singapore office relates to payment of employee benefit expenses (including director's remunerations).

The above utilisation of the Net Cash Proceeds from the Placement is consistent with the intended use and is in accordance with the percentage allocated 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

27 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.

The contact person for the Sponsor is Mr Andrew Leo, Chief Executive Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.