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**

China Star Food Group strengthens financial position with S$12 million share placement

- **500 million ordinary shares placed at a placement price of S$0.024 per share**
- **Among others, to fulfil the paid-up share capital requirement of the Company's wholly-owned subsidiary in China, Fujian Zixin Biological Potato Co., Ltd. ("Fujian Zixin"), and further expansion plans in Singapore**

For Immediate Release

SINGAPORE, 19 November 2021 – China Star Food Group Limited 中国之星食品集团 ("**China Star Food Group**" or the "**Company**" and together with its subsidiaries, the "**Group**"), a leading snack food company in China, is pleased to update that it has completed a S$12 million share placement to certain individual subscribers ("**Placement**").

The Placement of 500 million ordinary shares was fully subscribed at the fixed price of S$0.024 per share ("**Placement Price**"). The Placement Price is equivalent to the volume-weighted average price of S$0.024 per share based on the trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 21 September 2021. The 500 million ordinary shares placed represent approximately 56.57% of the existing issued share capital of 883,818,100 shares, and will represent approximately 36.13% of the enlarged issued share capital of 1,383,818,100 shares. The Placement was further approved and voted through at the extraordinary general meeting held on 29 October 2021.

Mr Liang Chengwang (梁承旺), the Executive Chairman and CEO of China Star Food Group said, "**The Group has come a long way, overcoming challenges and strengthening our integrated business operations over time. We value the confidence and support of our stakeholders. Through this placement, the Group will be able to further safeguard the interest of our stakeholders, in particular, our shareholders and employees, with the fulfilment of the paid-up share capital requirement of our subsidiary, Fujian Zixin. The proceeds raised will also enable us to execute our expansion plan in Singapore and strengthen our operations in China, growing our businesses further and delivering higher value to our shareholders.**"

Use of Proceeds

The estimated net cash proceeds to be raised from the Placement, after deducting estimated expenses to be incurred in connection with the Placement of S$100,000, would be S$11,900,000 ("**Net Cash Proceeds**"). The Net Cash Proceeds are intended for the following purposes:

Purpose	Breakdown of allocation	
	Amount [(1)] (S$)	As a % of the Net Cash Proceeds [(2)]
a) To fulfil the paid-up share capital requirement of Fujian Zixin	5,200,000	43.70
b) Future expansion of the Group's business in Singapore	4,000,000	33.61
c) Working capital for the Group	2,700,000	22.69
Total:	**11,900,000**	**100.00**

Notes:

(1) Rounded to the nearest thousand.

(2) Rounded to the nearest two (2) decimal places.

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

References:

1. Proposed Placement announcement on 21 September 2021
   https://links.sgx.com/FileOpen/CSFG%20Annt%20-%20Placement%20FY2022.ashx?App=Announcement&FileID=684177
2. Response to SGX Queries on Proposed Placement announcement on 23 September 2021
   https://links.sgx.com/FileOpen/CSFG%20Annt%20-%20Response%20to%20SGX%20Queries%20on%20Proposed%20Placement.ashx?App=Announcement&FileID=684458
3. Circular, together with the Notice of Extraordinary General Meeting ("**EGM**") announcement on 14 October 2021
   https://links.sgx.com/FileOpen/CSFG%20-%20Circular.ashx?App=Announcement&FileID=686896
4. Results of the EGM announcement on 29 October 2021
   https://links.sgx.com/FileOpen/CSFG%20Annt%20-%20Response%20to%20SGX%20Queries%20on%20Proposed%20Placement.ashx?App=Announcement&FileID=684458

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This media release is to be read in conjunction with the Company's announcement posted on the SGX website on 19 November 2021.

China Star Food Group Limited 中国之星食品集团

(Stock codes – SGX: 42W | Bloomberg: CSFG SP | Reuters: CHIA.SI)

China Star Food Group Limited ("**CSFG**" or the "**Company**", and together with its subsidiaries, the "**Group**"), is a leading sweet potato focused integrated snacks supply chain operator in China. Through its wholly-owned subsidiaries, the Group leverages on advanced technology to strengthen its three core business segments: **(i) cultivation and supply** – sweet potato seedlings cultivation base and fresh sweet potatoes supply, **(ii) product innovation and snacks production** – sweet potato snacks product innovation and production of broad categories of snacks, and **(iii) brand building, marketing and distribution** – build proprietary brands of healthier snacks through targeted marketing campaigns and various distribution platforms (traditional and modern) throughout China.

The Group aims to be one of the global leaders in sweet potato focused snacks, leveraging on smart ecological agriculture, utilising hi-tech techniques in product innovation to produce healthier snacks, and deploying modern marketing and distribution methods for better market reach.

To ensure a consistent supply of high-quality sweet potatoes, the Group has established an upstream sweet potato cultivation division, Liancheng Dizhongbao Modern Agricultural Development Co., Ltd., that has identified specific sweet potato varieties for its cultivation bases. Through continual analysis and research and development, the Group has developed comprehensive cultivation solutions including soil improvement, fertilizers, and seedlings, to assist farmers to increase crop yields and produce high-quality raw sweet potatoes. The Group has implemented the cultivation scheme in its existing farmlands, which it has leased through Liancheng County Cooperative in Fujian, China. The Group believes that its sweet potato cultivation solutions can also be provided to other potato farmers in China, which could potentially broaden its earnings base.

The Group has also adopted modern marketing and distribution approaches such as online and retail e-commerce sales channels to complement its traditional wholesalers and distributors, to promote its proprietary brands and range of healthier sweet potato snacks.

Please visit the Company's website at www.zixinshuye.com for more information.

Issued for and on behalf of **China Star Food Group Limited** by:

富登财经 FinComm
OCTAVE

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

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

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.