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**

APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULES 707(1) AND 711A OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") LISTING MANUAL SECTION B: RULES OF CATALIST ("CATALIST RULES")

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1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of China Star Food Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, through its continuing sponsor Novus Corporate Finance Pte. Ltd., submitted an application on 15 July 2022 to the SGX-ST for an extension of time to comply with the requirements of Rules 707(1) and 711A of the Catalist Rules (the "**EOT Application**").

The EOT Application was submitted to the SGX-ST in respect of the Company's financial year ended 31 March 2022 ("**FY2022**"), to seek the following extensions of time to comply with the requirements of Catalist Rules 707(1) and 711A respectively:

(a) from 16 July 2022 to 15 November 2022 to issue the Company's annual report for FY2022 ("**FY2022 AR**");

(b) from 31 August 2022 to 15 November 2022 to issue the Company's sustainability report for FY2022 ("**FY2022 SR**") which will be contained in the FY2022 AR; and

(c) from 31 July 2022 to 30 November 2022 to hold the Company's annual general meeting ("**AGM**") for FY2022 ("**FY2022 AGM**"),

(collectively, (the "**Extensions**")).

2. REASONS FOR SEEKING EXTENSION

(a) **Background**

(i) RT LLP ("**RT**") has been the independent auditors of the Company and its wholly-owned Singapore subsidiary Zixin International Pte. Ltd. ("**Zixin International**") since FY2018, and was re-appointed as the Company's auditors at the last AGM of the Company held on 31 August 2021, to hold office until the conclusion of the forthcoming AGM of the Company for FY2022. After the AGM which was held on 31 August 2021, the Company had, as part of its ongoing efforts to manage its business costs and expenses and for the purpose of ensuring overall good corporate governance, considered approaching other audit firms for proposals in relation to audit services and quotations. On or about the end of September 2021 onwards, the Company had approached other audit firms of similar standing to RT to obtain their quotations.

(ii) On 5 April 2022, the Company had announced its intention to, among others, (a) remove RT as the independent auditors of the Company (the "**Proposed Removal of Auditor**") and (b) to appoint UHY Lee Seng Chan & Co as the independent auditors of the Company until the conclusion of the then-upcoming FY2022 AGM (the "**Proposed Appointment of Auditor**" and, together with the Proposed Removal of Auditor, the "**Proposed Change of Auditor**"). The Company had on the same day released the circular, notice of extraordinary general meeting ("**EGM**") and other relevant documents in relation to, among others, the Proposed Change of Auditor.

(iii) On 18 April 2022, the Company published its responses to certain queries posed by the SGX-ST in relation to the Proposed Change of Auditor. Thereafter on 22 April 2022, the Company had announced that upon further deliberation and following consideration of feedback received from certain of the Company's stakeholders, the Board had decided not to proceed with the Proposed Change of Auditor (the "**Discontinuation**").

(iv) Since the Discontinuation, the Company has continued to approach several other third-party audit firms for their proposals and quotations for the provision of audit services (the "**Request for Proposals**"). The Board is in the process of finalising the conditional engagement of a shortlisted audit firm (the "**Shortlisted Party**") as the new independent auditors of the Company for FY2022 (the "**Potential New Appointment**"), and if confirmed, will be subject to the relevant approval of shareholders of the Company ("**Shareholders**") at an EGM to be convened. The Company will keep Shareholders updated and release announcements relating to the EGM in respect of the Potential New Appointment as may be appropriate from time to time. Shareholders are advised to look out for the Company's announcement(s) in relation to the same.

(b) **Rationale for the EOT Application**

In view of the aforementioned background, the rationale for the EOT Application is as follows:

(i) Had the earlier Proposed Change of Auditor proceeded as planned, and subject to Shareholders' approval being obtained at the EGM, it was expected that the FY2022 audit of the Group (the "**FY2022 Audit**") would be completed on time and that the Company would have been able to comply with the requirements of Catalist Rules 707(1) and 711A in a timely manner without having to seek any extensions of time. However, as a result of the Discontinuation, additional time and effort had to be expended (i) to approach other potentially suitable audit firms and obtain their quotations for the Board's deliberation, (ii) to assess and be satisfied with the suitability and competence of the Shortlisted Party in consultation with the Company's sponsor, and (iii) to hold further discussions with the Shortlisted Party, as the potential new independent auditor of the Company, in relation to the timeline for the FY2022 Audit;

(ii) As a result of the earlier Proposed Change of Auditor and the subsequent Discontinuation, the FY2022 Audit has not commenced. Consequently, the FY2022 Audit will only commence following the approval of Shareholders at the EGM of the Potential New Appointment;

(iii) In the course of planning the timeline for the FY2022 Audit, the Company and the Shortlisted Party have also considered, among others, (i) the prevailing COVID-19 travel restrictions to and throughout the various provinces in China (ii) the present situation in China, in particular given a recent resurgence in

COVID-19 cases and outbreaks within certain parts of China, and (iii) China's upcoming 'Golden Week' public holiday which is in early October, all of which will have a material impact on the FY2022 Audit timeline. As a result, the Company expects that more time would be required to complete the statutory audits of the Company's China-incorporated subsidiaries (the "**China Entities**");

(iv) Based on its discussions with the Shortlisted Party and taking into consideration the aforementioned, the Company understands that the Shortlisted Party would require at least five (5) weeks to complete the FY2022 Audit, including the statutory audits of the China Entities, as well as for the first draft of the audited financial statements ("**AFS**") for FY2022 to be prepared and circulated to the Company and relevant parties for review. Additional time would also be needed to complete the administrative and procedural matters in relation to the preparation and issuance of the FY2022 AR as well as to conduct the FY2022 AGM; and

(v) The Company's sustainability disclosure has typically been included in its annual report in prior years, and the Company intends to follow the same timeline and work arrangements in terms of preparing the FY2022 SR. Given that (i) the Company's sustainability report traditionally makes reference to its annual report to allow shareholders a comprehensive review of the Company's activities in the past financial year, and (ii) certain information and data contained in the sustainability report, such as but not limited to the corporate governance and economic performance sections of the FY2022 SR, make reference to or are based on the corporate governance report which will be contained in the FY2022 AR and the AFS for FY2022, the Company's sustainability report should be read together with the annual report. Consequently, the additional time required to issue the FY2022 AR as a result of the abovementioned would lead to additional time required for the Company to prepare and issue its FY2022 SR which will be contained within the FY2022 AR.

In light of the foregoing, the Extensions are sought to allow sufficient time for (a) the Company to carry out its EGM to seek Shareholder's approval in respect of the removal of RT as the auditors of the Company and the Potential New Appointment, (b) the Shortlisted Party, as the potential new independent auditor of the Company, to complete the FY2022 Audit so as to maintain the quality of the AFS for FY2022 and the FY2022 AR, and (c) the Company to conduct the FY2022 AGM.

3. APPLICATION FOR EXTENSION WITH THE ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

The Company will also be submitting a concurrent application for an extension of time to hold the FY2022 AGM and to file its annual return for FY2022 to the Accounting and Corporate Regulatory Authority under Section 175 and Section 197 of the Companies Act 1967 (the "**ACRA EOT Application**").

4. CONCLUSION

The Company will announce the outcomes of the EOT Application and the ACRA EOT Application in due course.

By Order of the Board

Liang Chengwang
Executive Chairman and Chief Executive Officer

15 July 2022

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*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.

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