CHINA STAR FOOD GROUP
中国之星食品集团

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

RESPONSE TO QUESTIONS FROM THE SGX-ST IN RESPECT OF THE COMPANY'S ANNOUNCEMENTS ON THE CHANGE OF AUDITORS

Unless otherwise defined, all capitalised terms shall bear the same meanings ascribed to them in the Announcements on the Change of Auditors (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 April 2022, 15 July 2022 and 1 August 2022 in relation to, *inter alia*, the Company's proposed change of auditors (collectively, the "**Announcements on the Change of Auditors**").

The Company has on 19 October 2022 through its continuing sponsor, Novus Corporate Finance Pte. Ltd. ("**NCF**"), received queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in relation to the Announcements on the Change of Auditors.

The queries posed by the SGX-ST, as well as the Company's responses are set out below:

Q1. **On 22 April 2022, the Company announced that the Board has decided not to proceed with the proposed change of auditors from RT LLP to UHY Lee Seng Chan & Co.**

The Company has obtained SGX RegCo's extension of time till 31 Aug 2021 to hold its FY2021 AGM, however the Company was unable to meet the extended deadline.

On 1 Aug 2022, the Company further announced that it expects to expend more time and effort to, among others, (a) approach other potentially suitable audit firms to request for quotations for the Board's deliberation, (b) assess and be satisfied with the suitability and competence of the new shortlisted party in consultation with the Sponsor, and (c) discuss and agree upon a suitable timeline with the new shortlisted party for the conduct of the FY2022 Audit. Accordingly, the Board is of the view that the Company will need to seek a further extension of time to comply with the requirements of Rules 707(1) and 711A of the Catalist Rules and hence withdrew its further time extension application.

- **Please provide status and updates on the Company's search for new auditors.**

Company's response

Since the Company's announcement on 1 August 2022 announcing that it would not proceed with the engagement of the Shortlisted Party, the Company had approached several audit firms to request for quotations for audit services. However, the audit firms approached by the Company either were fully occupied with existing engagements or did not have sufficient available manpower to be engaged by the Company. As a result, the

Company was unable to finalise a suitable audit firm to carry out the audit of the Company and the Group.

During this time, the Company had continued to maintain communications with RT LLP and eventually discussed the possibility of RT LLP continuing to act as the auditors of the Company and the Group sometime in September 2022. Having conducted its assessment on the suitability and competence of RT LLP in consultation with the Company's sponsor, the Company has since decided to continue to engage RT LLP as the auditors of the Company and the Group for the following reasons:

(a) RT LLP has the available manpower, resources and experience to adequately carry out the audits of the Company and the Group;

(b) RT LLP has indicated that it will directly audit the entire Group, including the subsidiaries in the People's Republic of China (the "**China Subsidiaries**"); and

(c) RT LLP's proposed audit fees remain competitive in comparison to the other audit firms approached by the Company.

Pursuant to further discussions between the Company and RT LLP to, among others, finalise the terms of engagement and the timeline for conducting the FY2022 Audit, RT LLP has expressed its willingness to continue acting as the auditors of the Company and the Group, and the Company has on 19 October 2022 signed an engagement letter with RT LLP for its re-appointment as the auditors of the Company and the Group. Under the terms of this engagement letter, RT LLP will supervise and carry out the audit of the China Subsidiaries.

Further to the signed engagement letter with RT LLP, the Company intends to submit a new extension of time application to the SGX-ST to comply with Rules 707(1) and 711A of the Catalist Rules (the "**New Application**") as soon as possible, but in any case no later than by 31 October 2022.

Q2. The Company is in breach of Catalist Rules 707(1) and 707(2) in relation to releasing its FY2021 Annual Report and hold its FY2021 AGM.

- **Please provide an update on the timeline on how the Company intends to comply with listing rules 707(1) and 707(2), including whether this will have an impact on the release of its 1HFY2022 financial results ending 30 Sept 2022.**

Company's response

As mentioned in the Company's response to Query 1, the Company intends to submit the New Application in accordance with the preliminary audit timeline set out below, which has been agreed between the Company and RT LLP:

S/N	Indicative Date	Event(s)
1.	31 October 2022	1) Submission of the New Application; and 2) RT LLP to commence audit of the Group's subsidiaries in Singapore (the "**Singapore Subsidiaries**").
2.	Mid-November 2022	RT LLP to complete audit of the Singapore Subsidiaries.
3.	21 November 2022	RT LLP to commence onsite work in relation to the audit of the China Subsidiaries.
4.	12 December 2022	RT LLP to complete audit of the China Subsidiaries.
5.	End of December 2022	RT LLP to carry out internal review of the completed audit of the Group.
6.	Mid-January 2023	RT LLP to review the consolidated accounts.
7.	End of January 2023	Review of first draft of the audit report for FY2022 (the "**Audit Report**")
8.	End of February 2023	Review of final draft of the Audit Report
9.	Mid-March 2023	Issuance of the finalised Audit Report
10.	Mid-March 2023	Release of Notice of the FY2022 AGM, proxy form and FY2022 AR (which will include the FY2022 SR).
11.	End of March 2023	Convening of AGM.

Having taken into consideration the aforementioned timeline, the Company has pre-allocated sufficient manpower and resources for the preparation of its upcoming financial results for the half year ended 30 September 2022 ("**1HFY2023**") as well as to assist with the FY2022 Audit, and is therefore of the view that there will be no impact on the Company's release of the 1HFY2023 financial results. The 1HFY2023 financial results will be released on the SGXNET in accordance with the Catalist Rules.

The Company will continue to update shareholders on further material developments as and when appropriate.

By Order of the Board

Liang Chengwang
Executive Chairman and Chief Executive Officer

20 October 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. (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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