**CHINA STAR FOOD GROUP LIMITED**
**(formerly known as Brooke Asia Limited)**
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200718683N)

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**RESPONSE TO LETTER OF DEMAND**

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The board of directors ("**Board**") of China Star Food Group Limited ("**Company**") refers to the announcement dated 20 August 2016 in relation to the receipt of a letter of demand (the "**Letter of Demand**") by the Company from Mr. Cheong Chee Hwa ("**CCH**"). Under the Letter of Demand, CCH is seeking the payment of S$2,544,696.00 from the Company.

The Board wishes to update shareholders that the Company has sought legal advice in relation to the claims alleged in the Letter of Demand and has been advised that the allegations in the Letter of Demand are without merit. The Company's legal adviser has on behalf of the Company responded to CCH's lawyers to deny all of the allegations made in the Letter of Demand.

The Company will keep shareholders of the Company ("**Shareholders**") updated on any material developments.

**Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. In the event of doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisors.**

By Order of the Board

Liang Chengwang
Executive Chairman and Chief Executive Officer
30 August 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*