OFFER INFORMATION STATEMENT DATED 25 APRIL 2019

(Lodged with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), acting as agent on behalf of the Monetary Authority of Singapore (the "**Authority**"), on 25 April 2019)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. BEFORE MAKING ANY INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

The Right Shares (as defined herein) offered are issued by China Star Food Group Limited (the "**Company**"), an entity whose shares are listed for quotation on Catalist (as defined herein).

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This offer is made in or accompanied by a copy of this offer information statement (the "**Offer Information Statement**"), together with copies of the Provisional Allotment Letter ("**PAL**"), the Application Form for Rights Shares and Excess Rights Shares ("**ARE**"), and the Application Form for Rights Shares ("**ARS**"), which have been lodged with the SGX-ST, acting as an agent on behalf of the Authority.

Neither the Authority nor the SGX-ST has examined or approved the contents of the Offer Information Statement, the PAL, ARE, and the ARS (collectively, the "**Documents**"). Neither the Authority nor the SGX-ST assumes any responsibility for the contents of the Documents, including the correctness of any of the statements or opinions made or reports contained herein. Neither the Authority nor the SGX-ST has in any way considered the merits of the Company and its subsidiaries, the Shares (as defined herein), the Rights Issue (as defined herein) and the Rights Shares being offered or in respect of which an invitation is made for investment. The lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

An application has been made to the SGX-ST for permission for the Rights Shares to be listed for quotation on Catalist. The listing and quotation notice has been obtained on 21 March 2019 from the SGX-ST to deal in and for the listing of and quotation for the Rights Shares on Catalist subject to certain conditions being fulfilled which includes, *inter alia*, compliance with the SGX-ST's listing requirements. The listing and quotation notice granted by the SGX-ST to deal in and for the listing of and quotation of the Rights Shares on Catalist is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

The Rights Shares will be admitted to Catalist and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited (the "**CDP**") have been despatched.

This Offer Information Statement has been prepared solely in relation to the Rights Issue and shall not be relied upon by any other person or for any other purpose. This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer for the Rights Shares, and does not constitute an offer, invitation or solicitation to any one in such jurisdiction.

Acceptance of applications will be conditional upon issue of the Rights Shares and upon listing of the Rights Shares on Catalist. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares does not proceed.

After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of Rights Shares, or allot, issue or sell any Rights Shares, on the basis of this Offer Information Statement; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or securities-based derivatives contracts or the allotment, issue or sale of any securities or securities-based derivatives contracts, on the basis of this Offer Information Statement. Your attention is drawn to the section entitled "Risk Factors" under Appendix A of this Offer Information Statement which should be read carefully.

*This Offer Information Statement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the SGX-ST Listing Manual Section B: Rules of the Catalist. The Sponsor has not verified the contents of this Offer Information Statement. This Offer Information Statement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Offer Information Statement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Offer Information Statement. The Sponsor has given its written consent to the inclusion herein of its name and all references thereto in the form and context in which they are included and appear in the Offer Information Statement. The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 049619, telephone (65) 6950 2188.*

CHINA STAR FOOD GROUP LIMITED

中国之星

CHINA STAR FOOD GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200718683N)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 296,909,050 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S$0.015 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

IMPORTANT DATES AND TIMES

Last date and time for splitting	:	8 May 2019 at 5.00 p.m.
Last date and time for acceptance and payment	:	14 May 2019 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for renunciation and payment	:	14 May 2019 at 5.00 p.m.
Last date and time for excess application and payment	:	14 May 2019 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications)

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled "**Definitions**" of this Offer Information Statement.

SRS Members and investors who hold Shares through a finance company and/or Depository Agent should refer to the section entitled "Important Notice to CPFIS Members, SRS Members and Investors Who Hold Shares Through a Finance Company and/or Depository Agent" of this Offer Information Statement for important details relating to the offer procedure for them.

For Entitled Depositors (which exclude Entitled Scripholders, SRS Members and investors who hold Shares through a finance company and/or a Depository Agent) and their Renouncees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may only be made through the CDP or by way of an Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders and their Renouncees, acceptances of the Rights Shares and/or applications for Excess Rights Shares may be made through the Share Registrar of the Company, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

For Renouncees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such Renouncees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances of the Rights Shares on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly to the CDP, the Share Registrar, by way of Electronic Application at any ATM of a Participating Bank and/or the Company will be rejected.

The Existing Shares are listed and quoted on Catalist.

Persons wishing to purchase any "nil-paid" Rights and/or subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to purchase and/or subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, risk factors, profits and losses, financial position and performance and prospects of the Company and/or the Group, the merits of the Rights Issue, and the rights and liabilities attaching to the "nil-paid" Rights and the Rights Shares. They should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). No information in this Offer Information Statement should be considered to be business, financial, legal, investment or tax advice. It is recommended that such persons seek professional advice from their business, financial, legal, investment, tax or other professional advisors before deciding whether to acquire any "nil-paid" Rights or the Rights Shares and/or invest in the Shares.

IMPORTANT NOTICE

No person has been authorised to give any information or to make any representation, other than those contained in this Offer Information Statement in connection with the Rights Issue or the allotment and issue of the Rights Shares and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or the Sponsor. Save as expressly stated in this Offer Information Statement, nothing contained in this Offer Information Statement is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company and/or the Group.

Neither the delivery of this Offer Information Statement nor the issue of the "nil-paid" Rights or the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company and/or the Group or any of the information contained in this Offer Information Statement since the date hereof. Where such a change occurs after the date hereof and is material, or is required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via the SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority. All Entitled Shareholders and their Renouncees and Purchasers should take note of any such announcement and upon the release of such announcement and/or lodgement of such supplementary or replacement document (as the case may be) shall be deemed to have notice of such changes.

Neither the Company nor the Sponsor and/or their respective officers is making any representation or warranty to any person regarding the legality of an investment in the Rights Issue, the "nil-paid" Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal, investment or tax advice. Each prospective investor should consult his own professional advice from his business, financial, legal, investment, tax or other professional advisors regarding the legality of an investment in the Rights Issue, the "nil-paid" Rights, the Rights Shares and/or the Shares.

Neither the Company nor the Sponsor and/or their respective officers is making any representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the "nil-paid" Rights, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or its accompanying documents shall be construed as a recommendation to accept or acquire the "nil-paid" Rights, the Rights Shares and/or the Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and/or the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and shall not be relied upon by any other persons (other than Entitled Shareholders to whom these documents have been despatched by the Company, their Renouncees and Purchasers who are in each case entitled to accept and/or apply for Rights Shares in accordance with the terms and conditions of the Rights Issue), or for any other purposes.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purposes of, and do not constitute, an offer, invitation or solicitation by anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

IMPORTANT NOTICE

The distribution of this Offer Information Statement and/or its accompanying documents, and the purchase, exercise of or subscription for the "nil-paid" Rights and the Rights Shares may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative being complied with) in certain jurisdictions under the relevant securities laws of such jurisdictions. Entitled Shareholders or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised by the Company to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without any liability whatsoever on the part of the Company or Sponsor. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further information.

IMPORTANT NOTICE TO CPFIS MEMBERS, SRS MEMBERS AND INVESTORS WHO HOLD SHARES THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT

Capitalised terms used below which are not otherwise defined herein shall have the same meaning as ascribed to them under the section entitled "**Definitions**" of this Offer Information Statement.

For investors who hold Shares under the SRS, or through finance companies or Depository Agents, acceptances of the provisional allotments of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant SRS Approved Banks, respective finance companies or Depository Agents.

Such investors are advised to provide their relevant SRS Approved Banks, respective finance companies, Depository Agents, as the case may be, with the appropriate instructions as soon as possible in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date.

ANY APPLICATION AND/OR APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED INVESTORS THROUGH THE CDP, THE SHARE REGISTRAR, THE COMPANY AND/OR THROUGH ATMS WILL BE REJECTED.

The above-mentioned investors, where applicable, will receive notification letter(s) from their respective SRS Approved Bank, finance company and/or Depository Agent, as the case may be, and they should refer to such notification letter(s) for details of the last date and time to submit acceptances of the provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares to their respective SRS Approved Bank, finance company and/or Depository Agent.

(a) Use of CPF Funds

As the Company's Shares are not registered under the CPFIS, monies in CPF investment accounts cannot be used for the payment of the Issue Price to accept or purchase provisional allotments of Rights Shares or to apply for Excess Rights Shares.

(b) Use of SRS Funds

SRS Investors who had purchased Shares using funds in their SRS Accounts and who wish to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts.

SRS Investors who wish to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks with which they hold their SRS Accounts to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their respective approved banks before instructing their respective approved banks to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. SRS Investors are advised to provide their respective approved banks with whom they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application by the Closing Date.

Any acceptance and/or application made or purported to be made directly to the CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of provisional allotments of Rights Shares directly from the market.

(c) Holdings through Finance Company and/or Depository Agent

Investors who hold Shares through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such investors are advised to provide their respective finance company and/or Depository Agent with the appropriate instructions no later than the deadlines set by their respective finance company and/or Depository Agent in order for their respective finance company and/or Depository Agent to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date.

Any acceptance and/or application by such investors to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares made directly to the CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

CONTENTS

	PAGE
IMPORTANT NOTICE	i
IMPORTANT NOTICE TO CPFIS MEMBERS, SRS MEMBERS AND INVESTORS WHO HOLD SHARES THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT	iv
DEFINITIONS	1
EXPECTED TIMETABLE OF KEY EVENTS	10
ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE	11
TRADING	17
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	19
TAKE-OVER LIMITS	20
SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018	21
PART 2 – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS	21
PART 3 – OFFER STATISTICS AND TIMETABLE	23
PART 4 – KEY INFORMATION	27
PART 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS	45
PART 6 – THE OFFER AND LISTING	59
PART 7 – ADDITIONAL INFORMATION	64
PART 8 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES	65
PART 9 – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES	65
PART 10 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE	66
PART 11 – ADDITIONAL INFORMATION REQUIRED FOR OFFER INFORMATION STATEMENT FOR PURPOSES OF SECTION 277(1AC)(A)(I) OF THE ACT	70
ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8A OF THE CATALIST RULES	71

CONTENTS

APPENDIX A – RISK FACTORS 73

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS 88

APPENDIX C – PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS 101

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK 108

APPENDIX E – LIST OF PARTICIPATING BANKS 114

APPENDIX F – PROCEDURES TO COMPLETE THE ARE/ARS 115

DIRECTORS' RESPONSIBILITY STATEMENT 117

For the purpose of this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

"2015 EGM"	:	The extraordinary general meeting of the Company held on 20 July 2015
"2016 Placement"	:	The proposed compliance placement of up to 25,250,000 new Shares in the Capital of the Company which was completed on 18 April 2016 For more information, please refer to paragraph 9(c) of Part 4 "**Key Information**" of the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018
"2016 Warrants"	:	The 50,500,000 warrants issued pursuant to the deed poll executed by the Company on 12 April 2016, which had expired on 17 April 2018 at 5.00 p.m. For more information, please refer to paragraph 9(c) of Part 4 "**Key Information**" of the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018
"2018 Placement"	:	The proposed placement of 40,000,000 new Shares in the capital of the Company to five (5) subscribers, namely Mr Liu Nai Lin, Mr Pan Ruliang, Mr Jiang Benwei, Mr Luo Fangfen and PTS Capital Pte Ltd, which was completed on 9 April 2018 For more information, please refer to paragraph 9(c) of Part 4 "**Key Information**" of the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018
"3QFY2018"	:	The financial period of the Company ended 31 December 2017
"3QFY2019"	:	The financial period of the Company ended 31 December 2018
"Acquisition"	:	The acquisition by the Company of the entire issued and paid-up share capital of China Star Food Holdings Pte. Ltd. pursuant to the terms and subject to the conditions of the sale and purchase agreement dated 5 November 2014

"Announcement"	:	The announcement released by the Company on 10 December 2018 in relation to the Rights Issue
"Authority"	:	The Monetary Authority of Singapore
"AGM"	:	The annual general meeting of the Company held on 30 July 2018
"ARE"	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of the provisional allotments of Rights Shares of such Entitled Depositors under the Rights Issue
"ARS"	:	Application and acceptance form for Rights Shares to be issued to purchasers in respect of the provisional allotments of Rights Shares under the Rights Issue traded on the Catalist through the book-entry (scripless) settlement system
"ATM"	:	Automated teller machine
"Board" or ***"Board of Directors"***	:	The board of directors of the Company
"Board Committees"	:	The sub-committees of the Board of Directors, which includes the Audit Committee, the Nominating Committee and the Remuneration Committee
"Books Closure Date"	:	The time and date to be determined by the Directors and announced by the Company in due course, at and on which the Register of Members and share transfer books of the Company will be closed to determine the provisional allotments of Entitled Shareholders under the Rights Issue and, in the case of Entitled Depositors, at and on which date their provisional allotments of Rights Shares under the Rights Issue are determined
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The Listing Manual of the SGX-ST Section B: Rules of Catalist, as may be amended, modified, or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	Central Provident Fund

"CPF Agent Banks"	:	Any bank appointed by the CPF Board to be an agent bank under The Central Provident Fund (Investment Schemes) Regulations
"CPF Funds"	:	The CPF account savings of CPFIS Members under the CPFIS-OA
"CPF Investment Account"	:	An account opened by a member of CPF with a CPF Agent Bank from which money may be withdrawn for, *inter alia*, payment to accept and/or apply for Rights Shares and/or Excess Rights Shares pursuant to the Rights Issue, as may be applicable
"CPFIS"	:	Central Provident Fund Investment Scheme
"CPFIS-OA"	:	CPF Investment Scheme – Ordinary Account
"CPFIS Members"	:	Shareholders who bought Shares under the CPFIS
"Closing Date"	:	The last time and date for acceptance and/or Excess Application and payment for, and renunciation and payment for (as may be applicable), the Rights Shares under the Rights Issue through CDP or the Share Registrar (as may be applicable); or the last time and date to be determined by the Directors for acceptance and/or Excess Application and payment for the Rights Shares under the Rights Issue through an electronic application (as may be applicable)
"Code" or ***"Take-over Code"***	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"Company"	:	China Star Food Group Limited
"Companies Act"	:	Companies Act (Cap. 50) of Singapore, as may be amended, modified, or supplemented from time to time
"Controlling Interest"	:	The interest of the Controlling Shareholder
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"Constitution"	:	The Constitution of the Company

*"**Council**"* or *"**SIC**"*	:	The Securities Industry Council of Singapore
*"**Director(s)**"*	:	The director(s) of the Company as at the Latest Practicable Date
*"**Electronic Application**"*	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement and the relevant procedures for electronic application at ATMs as set out in this Offer Information Statement or on the ATM screens of the Participating Banks
*"**Enlarged Share Capital**"*	:	The issued and paid-up share capital of the Company immediately following the Rights Issue
*"**Entitled Depositors**"*	:	Shareholders with Shares entered against their names in the Depository Register, maintained by CDP, as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
*"**Entitled Scripholders**"*	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
*"**Entitled Shareholder**"*	:	Entitled Depositors and Entitled Scripholders
*"**EPS**"*	:	Earnings per Share
*"**Excess Application**"*	:	Applications by Entitled Shareholders of Right Shares in excess of their provisional allotments of Rights Shares
*"**Excess Rights Shares**"*	:	The provisional allotment of Rights Shares which are not taken up by the Entitled Shareholders as at the close of the Rights Issue, and which may be applied for by the Entitled Shareholders, which are in excess of the number of Rights Shares provisionally allotted to such Entitled Shareholders
*"**Existing Issued Share Capital**"*	:	The existing issued and paid-up share capital comprising 296,909,050 Shares as at the Latest Practicable Date

"Existing Share(s)"	:	Shares in the Company prior to the Rights Issue
"Foreign Purchasers"	:	Persons purchasing the provisional allotment of Rights Shares through the book entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
"Foreign Shareholders"	:	Shareholders whose registered addresses are outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents
"Former Subsidiaries"	:	Grob Holz Company Ltd, Linkage Creation International Co., Ltd, Latitude Tree International Ltd., Latitude Tree Vietnam Joint Stock Company and RK Resources Co., Ltd. (a wholly-owned subsidiary of Latitude Tree Vietnam Joint Stock Company)
"FY2016"	:	The financial period of the Group from 1 July 2015 to 31 March 2016
"FY2017"	:	The financial year of the Group ended 31 March 2017
"FY2018"	:	The financial year of the Group ended 31 March 2018
"Group"	:	The Company and its subsidiaries, collectively
"Issue Price"	:	S$0.015 for each Rights Share
"Jinlao Potato"	:	Liancheng county Jinlao Sweet Potato Planting Professional Cooperative (连城县金老地瓜种植专业合作社)
"Latest Practicable Date"	:	18 April 2019, being the latest practicable date prior to the printing of this Offer Information Statement
"LTHB"	:	Latitude Tree Holdings Berhad
"Market Day(s)"	:	A day or days on which the SGX-ST is open for trading in securities
"NAV"	:	Net asset value

"Net Proceeds"	:	Net proceeds from the Rights Issue after deducting expenses for the Rights Issue
"Offer Information Statement"	:	The offer information statement to be issued by the Company and lodged with the SGX-ST acting as agent on behalf of MAS in connection with the Rights Issue and, where the context requires the PAL, ARE or the ARS (as the case may be) and all other accompanying documents, including any supplementary or replacement documents, which may be issued by the Company in connection with the Rights Issue
"Participating Banks"	:	United Overseas Bank Limited and DBS Bank Ltd. (including POSB Bank), and "**Participating Bank**" refers to any one of them
"PRC"	:	The People's Republic of China
"Purchasers"	:	The purchasers of the provisional allotments of Rights Shares traded on the Catalist under the book-entry (scripless) settlement system
"Rights Issue"	:	The renounceable non-underwritten rights issue of up to 296,909,050 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) Existing Share, held by the Entitled Shareholders as at the Books Closure Date under the rights issue, fractional entitlements to be disregarded
"Provisional Allotment Letter" or ***"PAL"***	:	The provisional allotment letters to be issued to Entitled Scripholders setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue
"Record Date"	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
"Register of Members"	:	The register of members of the Company
"Renouncee"	:	Person to whom an Entitled Shareholder renounces his provisional allotment of Rights Shares under the Rights Issue

"Rights Shares"	:	Up to 296,909,050 new Shares to be allotted and issued by the Company and on the basis of one (1) Rights Share for every one (1) Existing Share held as at the Books Closure Date, and each a "**Rights Share**"
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"Securities and Futures Act"	:	Securities and Futures Act (Cap. 289) of Singapore, as may be amended, modified, or supplemented from time to time
"SGCA"	:	The Court of Appeal of the Republic of Singapore
"SGHC"	:	The High Court of the Republic of Singapore
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SGXNET"	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"Shares"	:	Ordinary shares in the capital of the Company, and each a "**Share**"
"Shareholders"	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares, and each a "**Shareholder**"
"Share Registrar"	:	Boardroom Corporate & Advisory Services Pte Ltd
"Singapore"	:	The Republic of Singapore
"Sponsor"	:	Novus Corporate Finance Pte. Ltd.
"SRS"	:	Supplementary Retirement Scheme
"SRS Approved Banks"	:	Approved banks in which SRS Members hold their accounts under the SRS
"SRS Funds"	:	Monies standing to the credit of the SRS accounts of SRS Members under the SRS

"SRS Members"	:	Members under the SRS
"Substantial Shareholder(s)"	:	A person (including a corporation) who holds (directly or indirectly) not less than five per cent (5%) of the total votes attached to all the voting Shares in the Company
"Unit Share Market"	:	The unit share market of the SGX-ST, which allows the trading of single shares
"S$" and "***cents"***	:	Singapore dollars and cents respectively, the lawful currency of Singapore
"RMB"	:	Renminbi, the lawful currency of the People's Republic of China
"%" or ***"per cent"***	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The terms "**subsidiary**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference in this Offer Information Statement, the PAL, the ARE and the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Catalist Rules or any modification thereof, which is not otherwise defined and is used in this Offer Information Statement, shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time. Any reference to a time of day and dates in this Offer Information Statement, the PAL, the ARE and the ARS shall be a reference to Singapore time and dates unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to "**we**", "**us**" and "**our**" in this Offer Information Statement is a reference to the Company, the Group or any member of the Group as the context requires.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

Unless otherwise stated, the conversion of RMB to S$ in this Offer Information Statement is based on the exchange rate of S$1 to RMB4.95 as at the Latest Practicable Date.

Source: https://secure.mas.gov.sg/msb/ExchangeRates.aspx.[(1)]

Note:

(1) The Authority has not consented for the purposes of Sections 249 and 277 of the SFA to the inclusion of the information above which is publicly available, and is thereby not liable for such information under Sections 253 and 254 of the SFA. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of such information.

The timetable below lists the important dates and times[1] for the Rights Issue. All dates and times referred to below are Singapore dates and times.

Shares trade ex-rights	:	23 April 2019 from 9.00 a.m.
Books Closure Date	:	24 April 2019 at 5.00 p.m.
Despatch of Offer Information Statement (together with the ARE or PAL, as the case may be) to the Entitled Shareholders	:	29 April 2019
Commencement of trading of "nil-paid" Rights	:	29 April 2019 from 9.00 a.m.
Last date and time for splitting Rights	:	8 May 2019 at 5.00 p.m.
Last date and time for trading of "nil-paid" Rights	:	8 May 2019 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	14 May 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Last date and time for acceptance of and payment for Rights Shares by Renouncees	:	14 May 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Last date and time for application and payment of Excess Rights Shares	:	14 May 2019 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Expected date for issuance of Rights Shares	:	21 May 2019
Expected date for crediting of Rights Shares	:	23 May 2019
Expected date for refund of unsuccessful or invalid applications (if made through the CDP)	:	23 May 2019
Expected date for listing and commencement of trading of Rights Shares	:	23 May 2019

Pursuant to Rule 820(1) of the Catalist Rules, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. Based on the above timetable, the Shares have commenced ex-rights trading on 23 April 2019 from 9.00 a.m.

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the Sponsor, SGX-ST, and/or CDP, modify the timetable, subject to any limitation under any applicable laws, rules or regulations. In that event, the Company will publicly announce any modification to the timetable or the Closing Date, through a SGXNET announcement to be posted on the internet at the SGX-ST's website http://www.sgx.com.

Note:

(1) *This does not apply to SRS Members and investors who hold Shares through a finance company and/or Depository Agent. SRS Members and investors who hold Shares through a finance company and/or Depository Agent should refer to the section entitled "Important Notice to CPFIS Members, SRS Members and Investors who hold Shares through a Finance Company and/or Depository Agent" of this Offer Information Statement. Any application made by these investors directly through the CDP, Electronic Applications, the Share Registrar and/or the Company will be rejected. Such investors, where applicable, will receive notification letter(s) from their respective SRS Approved Bank, finance company and/or Depository Agent, as the case may be, and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective SRS Approved Bank, finance company and/or Depository Agent, as the case may be.*

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. ENTITLED SHAREHOLDERS

In order to be eligible for the Rights Issue, a Shareholder must be an Entitled Shareholder, and not be a person to whom it is unlawful to send this Offer Information Statement or make an invitation under the Rights Issue.

All questions as to the eligibility of any person to participate in the Rights Issue, subscribe and/or apply for the Rights Shares and as to the validity, form and eligibility (including time of receipt) of any ARE, ARS or PAL are determined by the Company in its sole discretion. The Company's determination as to whether a person is an Eligible Shareholder and as to whether or when an ARE, ARS or PAL is received, whether it is duly completed or whether acceptance is validly revoked shall be final and binding.

Entitled Shareholders will be entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the AREs or PALs, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and/or the AREs may obtain them from the CDP for the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and/or the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the Books Closure Date, fractional entitlements, if any being disregarded. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or, in the case of the Entitled Depositors only, trade their provisional allotments of Rights Shares on the Catalist during the provisional allotment trading period prescribed by the SGX-ST, and will be eligible to apply for Excess Rights Shares under the Rights Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the Renouncees) shall be entitled to apply for Excess Rights Shares under the Rights Issue.

All dealings in and transactions of the provisional allotments of the Rights Shares through the Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the Catalist.

Entitled Depositors should note that all correspondences, notices, and documents will be sent to their last registered addresses with the CDP. Entitled Depositors are reminded that any request to the CDP to update their records or to effect any change in address must reach the CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, not later than 5.00 p.m. on the date being at least three (3) Market Days before the Books Closure Date.

Entitled Scripholders should note that all correspondence and notices will be sent to their latest mailing addresses with the Share Registrar. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 5.00 p.m. on the date being at least three (3) Market Days before the Books Closure Date.

Entitled Scripholders (where applicable) are encouraged to open Securities Accounts with the CDP if they have not already done so and to deposit their share certificates with the CDP prior to the Books Closure Date so that their Securities Accounts may be credited by the CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with the CDP or such later date as the CDP may determine.

Entitled Depositors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares may only do so through the CDP or by way of an Electronic Application through an ATM of a Participating Bank. Entitled Scripholders who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares may only do so through the Share Registrar.

For Entitled Shareholders who hold Shares through finance companies or Depository Agents, acceptances and subscriptions of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies or Depository Agents. Any acceptances and/or applications by such investors to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares made directly to the CDP, the Share Registrar, the Company or through the ATMs of the Participating Banks will be rejected

SRS Members who have subscribed for or purchased Shares under the SRS, subject to applicable SRS rules and regulations, they must use SRS Funds to pay for the acceptance of their provisional allotments of the Rights Shares and (if applicable) application for Excess Rights Shares.

SRS Members, who wish to accept their Rights Shares and (if applicable) apply for Excess Rights Shares using SRS Funds, must instruct the relevant SRS Approved Banks to accept their Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Entitled Shareholders who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their Rights Shares and (if applicable) apply for Excess Rights Shares. SRS Members are advised to provide their respective SRS Approved Banks with the appropriate instructions no later than the deadlines set by their respective SRS Approved Banks in order for their respective SRS Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. **SRS Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market. Any acceptance of the provisionally allotted Rights Shares and (if applicable) application for Excess Rights Shares directly to the CDP, the Share Registrar, and/or the Company, and/or Electronic Applications will be rejected.**

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy Excess Applications for Rights Shares (if any), or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

In the allotment of Excess Rights Shares, preference will be given to Shareholders for rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment or issuance of any Excess Rights Shares that will result in a transfer of Controlling Interest in the Company unless otherwise approved by the Shareholders at a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices B to D of this Offer Information Statement and in the PAL, the ARE and the ARS.

2. FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be registered, filed or lodged in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Issue is only made in Singapore and this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdiction outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of Rights Shares has been made to Foreign Shareholders and no purported acceptance of the provisional allotments of Rights Shares or Excess Applications by Foreign Shareholders will be valid.

Foreign Shareholders who wish to be eligible to participate in the Rights Issue should provide an address in Singapore for the service of notices and documents not later than 5.00 p.m. on the date being at least three (3) Market Days before the Books Closure Date, by notifying, as the case may be, (i) the CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or (ii) the Company, c/o Boardroom Corporate & Advisory Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

This Offer Information Statement and its accompanying documents relating to the Rights Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with the CDP are outside Singapore. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited by the CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any Renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him.

The Company reserves the right, but shall not be obliged to, reject any acceptances of the provisional allotments of the Rights Shares and/or applications for Excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right, but shall not be obliged to, to treat as invalid any PAL, ARE and ARS which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation or warranty required by the terms of this Offer Information Statement, the PAL, the ARE and the ARS.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore wishing to take up their provisional allotment of Rights Shares or apply for Excess Rights Shares under the Rights Issue or to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only and any Foreign Shareholder who is in doubt as to his position should consult his professional advisers without delay.

Receipt of this Offer Information Statement, a PAL, ARE or ARS, or the crediting of "nil-paid" Rights or Rights Shares to a Securities Account will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Offer Information Statement and the PALs, AREs or ARSs must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of this Offer Information Statement, a PAL, ARE or ARS and/or a credit of provisional allotments of Rights Shares or Rights Shares to a Securities Account in any territory other than Singapore may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such PAL, ARE or ARS and/or accept any credit of provisional allotments of Rights Shares or Rights Shares to a Securities Account unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such PAL, ARE or ARS and/or credit of provisional allotments of Rights Shares or Rights Shares to a Securities Account could lawfully be used or accepted, and any transaction resulting from such use or acceptance could be effected, without contravention of any registration or other legal or regulatory requirements.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this Offer Information Statement, and/or a PAL, ARE or ARS or whose Securities Account is credited with provisional allotments of Rights Shares should not distribute or send the same or transfer the provisional allotments of Rights Shares in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If this Offer Information Statement, a PAL, ARE or ARS or a credit of provisional allotments of Rights Shares is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the provisional allotments of Rights Shares, and renounce such PAL, ARE or ARS or transfer the provisional allotments of Rights Shares unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who forwards this Offer Information Statement, or a PAL, ARE or ARS or transfers the provisional allotments of Rights Shares into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this Section as well as relevant sections of this Offer Information Statement.

Depositors whose registered addresses with the CDP are not in Singapore and who wish to be eligible to participate in the Rights Issue should provide an address in Singapore for the service of notices and documents not later than 5.00 p.m. on the date being at least three (3) Market Days before the Books Closure Date by notifying the CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the Catalist as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their **own risk by ordinary post**, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S$10.00. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or the CDP and their respective officers in connection therewith.

Where such provisional allotments are sold "nil-paid" on the Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar or the CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy Excess Applications, disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Share Registrar, or the CDP and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders. However, the Company reserves the right, but shall not be obliged, to make similar arrangements for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to certain Entitled Shareholders to be sold "nil-paid" on the Catalist as soon as practicable, after dealings in the provisional allotments of Rights Shares commence, where the beneficial holders of such provisional allotments of Rights Shares are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Rights Issue.

Notwithstanding the above, Entitled Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe all legal requirements applicable thereto at their own expense and without liability to the Company, the Sponsor, or any other person involved in the Rights Issue. No person in any jurisdiction outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such jurisdiction. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Offer Information Statement, the PAL, the ARE and the ARS must be treated as sent for information only and should not be copied or redistributed.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

TRADING

1. LISTING AND QUOTATION OF THE RIGHTS SHARES

On 21 March 2019, the Company obtained the approval in-principle from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist, subject to, *inter alia*, compliance with the SGX-ST's listing requirements. The approval in-principle granted by the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Right Shares, the Company, its subsidiaries, and/or their securities.

The Rights Shares will be admitted to Catalist and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the allotment letters from CDP have been despatched. Upon listing and quotation on Catalist, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the Catalist, each board lot of Shares will comprise 100 Shares. All dealings in and transactions (including transfers) of the Rights Shares effected through the Catalist and/or the CDP shall be made in accordance with the "**Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited**", as the same may be amended from time to time. Copies of the above are available from the CDP.

2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders and their Renouncees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the Catalist under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with the CDP in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Shares or applying for any Excess Rights Shares, in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by the CDP into their Securities Accounts.

Entitled Scripholders and their Renouncees who wish to accept and (if applicable) apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("**NRIC**")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL, in order for the number of Rights Shares or Excess Rights Shares (as the case may be) that are allotted to them to be credited into their Securities Accounts.

Entitled Scripholders and their Renouncees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with the CDP, will be issued physical share certificates in their own names for the Rights Shares and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will be forwarded to them by **ordinary post at their own risk**, but will not be valid for delivery pursuant to trades done on the Catalist under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from his address registered with the CDP, he must inform the CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the CDP.

A holder of physical share certificate(s) or an Entitled Scripholder who has not deposited his share certificate(s) with the CDP but wishes to trade on the Catalist, must deposit his share certificate(s) with the CDP, together with the duly executed instrument(s) of transfer in favour of the CDP (including any applicable fees) and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

3. TRADING OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

Entitled Depositors should note that the "nil-paid" Rights will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size as the SGXST may require. Entitled Depositors who wish to trade in lot sizes other than board lots of 100 can do so on the Unit Share Market.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the Catalist can do so for the period commencing on 29 April 2019 from 9.00 a.m., being the date and time of commencement of the "nil-paid" rights trading period, and ending on 8 May 2019 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last date and time of the "nil-paid" Rights trading period.

4. TRADING OF ODD LOTS

Entitled Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).

Following the Rights Issue, Entitled Shareholders who hold odd lots of Shares and who wish to trade in odd lots of Shares on the Catalist should note that they will be able to do so on the Unit Share Market of the SGX-ST which allows trading of odd lots with a minimum of one (1) Share. The market for trading of such odd lots of Shares may be illiquid.

Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the Catalist should note that there is no assurance that they can acquire such number of Shares to make up one (1) board lot of 100 Shares respectively, or to dispose of their odd lots (whether in part or in whole) on the Unit Share Market.

5. TRADING OF SHARES OF COMPANIES LISTED ON CATALIST

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or are forward-looking, such as, without limitation, "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or other similar words. However, these words are not the exclusive or exhaustive means of identifying forward-looking statements. All statements regarding the Group's expected financial position and performance, operating results, business strategies, future plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group's revenue and profitability, prospects, future plans or analysis or comments on historical financial performance or position and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group's actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Sponsor, nor any other person represents or warrants that the Group's actual future results, performance or achievements will be as expected, expressed or implied in those statements.

Further, the Company and its Directors, officers, executives and employees, and the Sponsor disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

However, in the event that the Company becomes aware of new developments, events or circumstances that have arisen after the lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, but before the Closing Date of the Rights Issue, and that is materially adverse from the point of view of an investor of the Shares and/or the Rights Shares or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the with the SGX-ST, acting as agent on behalf of the Authority.

The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

TAKE-OVER LIMITS

The Take-over Code regulates the acquisition of ordinary shares of, *inter alia*, public listed companies, including the Company. Except exempted with the consent of the Council, where:

(i) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Company; or

(ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately for the remaining Shares in the Company in accordance with the provisions of the Take-over Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory general offer under the Take-over Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotment of Rights Shares or the application for Excess Rights Shares, should consult the Council and/or their professional advisers immediately.

Depending on the level of subscription for the Rights Shares, the Company may, if necessary and upon the approval of the Sponsor and/or the SGX-ST, scale down the Rights Shares subscribed by any Shareholder to the extent necessary to avoid placing such Shareholder and parties acting in concert with him (as defined under the Code) in the position of incurring an obligation to make a mandatory general offer for the Shares under the Code as a result of other Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

PART 2 – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

DIRECTORS

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

The names and addresses of each of the Directors are as follows:

Name	Address	Designation
Mr Liang Chengwang	c/o 10 Anson Road #27-06B International Plaza Singapore 079903	Executive Chairman/ Chief Executive Officer
Mr Chen Hua Jing	c/o 10 Anson Road #27-06B International Plaza Singapore 079903	Executive Director
Mr Ng Poh Khoon	c/o 10 Anson Road #27-06B International Plaza Singapore 079903	Lead Independent Director
Ms He Jing	c/o 10 Anson Road #27-06B International Plaza Singapore 079903	Independent Director
Mr Chong Yang Kan	c/o 10 Anson Road #27-06B International Plaza Singapore 079903	Independent Director

ADVISERS

2. Provide the names and addresses of:

(a) the issue manager to the offer, if any;

(b) the underwriter to the offer, if any; and

(c) the legal adviser for or in relation to the offer, if any.

Issue Manager to the offer, if any	:	Not applicable. There is no issue manager.
Underwriter to the offer, if any	:	Not applicable. The Rights Issue is not underwritten.
Legal Adviser to the Company for or in relation to the Rights Issue	:	**Aquinas Law Alliance LLP** 24 Raffles Place #19-05 Clifford Centre Singapore 048621

REGISTRARS AND AGENTS

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.

Share Registrar/Transfer Agent	:	**Boardroom Corporate & Advisory Services Pte Ltd** 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Receiving Bank	:	**CIMB Bank Berhad, Singapore Branch** 50 Raffles Place #01-02 Singapore Land Tower Singapore 048623

PART 3 – OFFER STATISTICS AND TIMETABLE

OFFER STATISTICS

1. For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.

Method of Offer	:	Renounceable Non-underwritten Rights Issue
Basis of Allotment	:	One (1) Rights Share for every one (1) Existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	Up to 296,909,050 Rights Shares
Rights Issue Price	:	S$0.015 for each Rights Share

METHOD AND TIMETABLE

2. Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to –

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

Please refer to paragraphs 3 to 7 below of this Part 3.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.

Please refer to the Section entitled "**Expected Timetable of Key Events**" of this Offer Information Statement for details of the offer period of the Rights Issue.

As at the Latest Practicable Date, the Company does not expect the timetable under the Section entitled "**Expected Timetable of Key Events**" of this Offer Information Statement to be modified. However, the Company may, with the approval of the Sponsor, SGX-ST and/or the CDP, modify the timetable, subject to any limitation under any applicable laws, rules or

regulations. In that event, the Company will publicly announce any modification to the timetable or the Closing Date, through a SGXNET announcement to be posted on the internet at the SGX-ST's website at http://www.sgx.com.

The detailed procedures for, and the terms and conditions applicable to, acceptances and/or trading of the provisional allotments of the Rights Shares and for the application for Excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices B to D of this Offer Information Statement and in the PAL, the ARE, and the ARS.

4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Rights Shares and/or the Excess Rights Shares (as the case may be) are payable in full upon acceptance and/or application.

The detailed procedures for, the terms and conditions applicable to, acceptances, renunciations, and/or sale of the provisional allotments of Rights Shares and for application for the Excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices B to D of this Offer Information Statement and in the PAL, the ARE, and the ARS.

Please refer to the Section entitled "**Expected Timetable of Key Events**" of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, the Excess Rights Shares.

5. State, where applicable, the methods of and time limits for –

(a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and

(b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.

The Rights Shares will be provisionally allotted to the Entitled Shareholders on or about 26 April 2019 by crediting the provisional allotments into the Securities Accounts of the respective Entitled Depositors or through the despatch of the relevant PALs to the Entitled Scripholders, based on their respective shareholdings in the Company as at the Books Closure Date.

In the case of Entitled Scripholders and their Renouncees with valid acceptances and successful applications of Excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be sent by **ordinary post and at their own risk**, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors, Purchasers and Entitled Scripholders and their Renouncees with valid acceptances and successful applications of Excess Rights Shares and who have furnished valid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be sent to the CDP within ten (10) Market Days after the Closing Date and the CDP will thereafter credit such number of Rights Shares to their relevant subscribers stating the number of Rights Shares. Subsequently, the CDP will credit such number of Rights Shares to their relevant Securities Accounts. The CDP will then send to the relevant subscribers by ordinary post and at their own risk, to their mailing addresses in Singapore in the records of the CDP, a notification letter stating the number of Rights Shares that have been credited to their Securities Accounts.

Please refer to Appendices B to D of this Offer Information Statement and the PAL, ARE and the ARS for further details.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable. No pre-emptive rights have been offered.

7. Provide a full description of the manner in which results of the allotment or allocation of he securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

Results of the Rights Issue

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares as soon as it is practicable after the Closing Date through a SGXNET announcement to be posted on the SGX-ST's website at http://www.sgx.com.

Manner of Refund

Where any acceptances for Rights Shares and/or (if applicable) Excess Application is invalid or unsuccessful, the amount paid on acceptance and/or application, or the surplus application monies, as the case may be, will be returned or refunded to such applicants by CDP on behalf of the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by any one or a combination of the following:

(a) where the acceptance and/or application had been made through Electronic Applications through an ATM, by crediting the relevant applicant's bank account with the relevant Participating Banks at the relevant applicant's own risk, the receipt by such bank being a good discharge of the Company's and the CDP's obligations, if any, thereunder;

(b) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent by ordinary post at the relevant applicant's own risk to the relevant applicant's mailing address as recorded with the Share Registrar; and/or

(c) where the acceptance and/or application had been made through the CDP, by means of a crossed cheque drawn in Singapore currency drawn on a bank in Singapore and sent by ordinary post at the relevant applicant's own risk to the relevant applicant's mailing addresses in Singapore as maintained with the CDP or the Company or in such other manner as they may have agreed with the CDP for the payment of any cash distributions, as the case may be.

Please also refer to Appendices B to D of this Offer Information Statement and the PAL, the ARE and the ARS for more details.

PART 4 – KEY INFORMATION

USE OF PROCEEDS FROM OFFER AND EXPENSES INCURRED

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to paragraphs 2 to 7 below of this Part 4.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

Assuming full subscription of the Rights Issue, the estimated Net Proceeds will be approximately S$4,320,000 after deducting estimated professionals' fees and related expenses incurred in connection with the Rights Issue of approximately S$130,000.

As the Rights Issue is non-underwritten and there are no undertakings by any Shareholder to subscribe for the Rights Shares, there will be no proceeds from the Rights Issue if none of the Rights Shares are subscribed for.

All the Net Proceeds will go to the Company.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.

The Rights Issue has been proposed by the Company for the following reasons:

(a) **Partial capital contribution to Fujian Zixin Biological Potato Co., Ltd.** ("**Fujian Zixin**") (the "**Partial Capital Contribution**"). Fujian Zixin is a company incorporated in Liancheng County, Longyan, Fujian Province, People's Republic of China ("**PRC**"), and is a wholly-owned subsidiary of Zixin International Pte. Ltd ("**Zixin International**"). Zixin International is, in turn, a company incorporated in Singapore and the Company's wholly-owned subsidiary.

Fujian Zixin was incorporated on 6 July 2009 and is a wholly foreign-owned entity. As at the Latest Practicable Date, the total registered capital of Fujian Zixin is RMB80,000,000 (approximately S$16,000,000 based on the Illustrative Exchange Rate(1)) and an unpaid share capital of approximately RMB42,700,000 (approximately S$8,250,000 based on the Illustrative Exchange Rate) remains outstanding (the "**Unpaid Share Capital**"). As at the Latest Practicable Date, an aggregate of approximately RMB37,300,000 (S$7,750,000) has been contributed to Fujian Zixin (in Singapore dollars) as partial satisfaction of the registered capital. Nevertheless, the Unpaid Share Capital outstanding as at the Latest Practicable Date remains significant, representing approximately 53.38%(2) of Fujian Zixin's total registered capital.

Notes:

*(1) The "**Illustrative Exchange Rate**" used in this OIS is S$1:RMB5. The Illustrative Exchange Rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or any other rate.*

(2) Based on the total registered capital of RMB80,000,000 and the Unpaid Share Capital of approximately RMB42,700,000.

Whilst Fujian Zixin has obtained an extension to the deadline for satisfying the Unpaid Share Capital to 10 June 2024, a significant proportion of Unpaid Share Capital remains outstanding. The Board is of the view that it would be in the Company's best interest to ensure that the Unpaid Share Capital is paid up in smaller instalments over a period of time rather than to seek a large capital funding for the same at a later time.

Should the Unpaid Share Capital not be satisfied in accordance with the deadline set in the Fujian Zixin's Articles of Association, the Industry and Commerce Bureau of the PRC has the right to demand satisfaction of the Unpaid Share Capital by the Company and additional fines may be levied.(1) Furthermore, should Fujian Zixin be unable to pay its debts timely, its creditors would be entitled to make a claim in the local courts requiring the shareholder who has not fulfilled or fully fulfilled its capital contribution obligation to bear additional liabilities, to the extent of the principal and interest of the capital not contributed by it, for compensating the debts of the company that are unable to be repaid.(2) If either of the abovementioned scenarios materialise, it would negatively impact the reputation or business operations of Fujian Zixin. Consequently, the financial health and operations of Group and the Company would be adversely affected as Fujian Zixin generates a significant proportion of the Group's income and revenue.

Notes:

(1) Pursuant to Article 199 of the Company Law (of the PRC).

(2) Pursuant to Article 13 of Provisions of the Supreme People's Court on Several Issues concerning the Application of the Company Law (III) (of the PRC).

Further, Fujian Zixin was previously granted certain land use rights by the Land and Resource Bureau of Liancheng County in September 2014 (the "**Land Use Rights**"). The Land Use Rights were granted the basis of, *inter alia*, representations made to the relevant authorities regarding Fujian Zixin's registered capital and the Group's commitment towards satisfying such registered capital. Therefore, the Board is of the view that it would be inappropriate for Fujian Zixin to undergo a reduction of share capital and the Company should honour its commitment towards satisfying Fujian Zixin's registered capital so that the relationship between Fujian Zixin and the relevant authorities would not be adversely affected.

While Fujian Zixin has existing internal cash resources, the Board understands that the local authorities in the PRC would not look favourably on an arrangement where dividends declared by Fujian Zixin are subsequently utilised to satisfy the Unpaid Share Capital. This would be akin to depleting existing monies already in the account of Fujian Zixin and using such monies to satisfy the Unpaid Share Capital instead of injecting fresh capital into Fujian Zixin.

Having considered the above, the Board is of the view that it would be timely to proceed with the Partial Capital Contribution using the proportion of Net Proceeds as set out in in the table below.

Whilst the Board has considered other methods of fundraising on the capital market (e.g. through private placements), the Board ultimately decided to conduct a Rights Issue as it is of the view that a Rights issue could enable all Shareholders to participate in and benefit from the future development of the Group. In contrast, alternative methods of fundraising (e.g. private placements) may only benefit particular subscribers or placees.

The Partial Capital Contribution will ultimately be used by Fujian Zixin for the purposes of general working capital including, *inter alia*, funding the salaries of its employees, administrative expenses and other operating expenses; and

(b) **Working capital for the Company**, including, *inter alia*, funding the salaries of its employees, administrative expenses, other operating expenses and other future expansions which the Board deems to be in the interests of the Company and the Group.

Further, the Rights Issue has also been proposed by the Company as part of its ongoing and prudent balance sheet management to strengthen its financial position, enlarge its capital base and further enhance the financial flexibility of the Group, and to provide existing Shareholders who are confident of the future prospects of the Group with an opportunity to subscribe for additional Shares.

For illustrative purposes only, the following table is an estimate of the proportions of how the Company intends to use the Net Proceeds:

Use of Net Proceeds	Allocation of the Net Proceeds (S$)	Approximate Allocation of the Net Proceeds (%)
Partial Capital Contribution	3,500,000	81.0
Working capital for the Company	820,000	19.0
Total	**4,320,000**	**100.0%**

Pending the deployment of the Net Proceeds for the uses identified above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement, and further provide a status report on the use of the proceeds raised in its interim and full-year financial statements issued pursuant to Rule 705 of the Catalist Rules and in its annual report(s). Where the proceeds have been used for general and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will also state the reasons for such deviation.

The Directors are of the reasonable opinion that there is no minimum amount to be raised from the Rights Issue. In the event that the Company is unable to raise sufficient funds, the Company will source for alternative sources of funding, including but not limited to raising capital from through private placements.

For the purposes of Rule 814(1)(e) of the Catalist Rules, the Directors are of the opinion that, barring any unforeseen circumstances:

(i) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and

(ii) notwithstanding (i) above, the Company is undertaking the proposed Rights Issue based on the potential Net Proceeds to be raised for the reasons stated in 3(a) and 3(b).

The Directors confirm that the proceeds from the proposed Rights Issue will be utilised in accordance with the table above.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

Based on the intended uses of Net Proceeds as set out in paragraph 3 of this Part 4 and assuming the Rights Issue is fully subscribed, for each dollar of the gross proceeds from the Rights Issue, the estimated amount that will be allocated for the intended uses and the estimated amount that will be used to pay for expenses incurred in connection with the Rights Issue are as follows:

Use of gross proceeds from the Rights Issue	Estimated amount that will be allocated for each dollar of gross proceeds raised
Partial Capital Contribution	S$0.79
Working capital for the Company	S$0.18
Estimated costs and expenses	S$0.03

5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity. Nevertheless, in the event that, an opportunity arises for the Company to require any specific business which the Directors deem to be in the interest of the Company to acquire, the Company may, subject to approval of Shareholders being obtained if required by the Catalist Rules, utilise part of the Net Proceeds to finance such acquisition.

6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

Not applicable. As at the Latest Practicable Date, the Company has no intention to use any material part of the Net Proceeds to discharge, reduce or retire the indebtedness of the Company or the Group.

7. In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Not applicable as the Rights Issue is not underwritten and no underwriters, placement or selling agents have been appointed in relation to the Rights Issue.

INFORMATION ON THE RELEVANT ENTITY

8. Provide the following information:

(a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;

Registered Office	:	24 Raffles Place #19-05 Clifford Centre Singapore 048621
Principal Place of Business (Singapore)	:	10 Anson Road #27-06B International Plaza Singapore 079903
Telephone Number (Singapore)	:	+65 6225 9987
Facsimile Number (Singapore)	:	+65 6225 9908
Principal Place of Business (China)	:	Gan Shang Zi Ran Village in Hengming Village Wenheng Town, Liancheng county People's Republic of China
Telephone Number (China)	:	+86 597 8980086
Facsimile Number (China)	:	+86 597 8980286
Email address of the Company or a representative of the Company	:	yim@zixinshuye.com

(b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The Company was incorporated in Singapore on 8 October 2007 under the name of "Latitude Tree Pte. Ltd.". On 26 May 2009, the Company changed its name to "Latitude Tree International Group Pte. Ltd.". On 17 June 2009, the Company was converted to a public limited company and changed its name to "Latitude Tree International Group Ltd.".

The Company completed the disposal of its previous business through the disposal of the Former Subsidiaries to LTHB on 23 January 2014 and accordingly, was rendered a "cash company" within the meaning of Rule 1017 of the Catalist Rules with effect from 23 January 2014. The Company changed its name to "Brooke Asia Limited" on 23 January 2014.

The Company completed the Acquisition on 22 September 2015, following which the Company changed its name to China Star Food Group Limited.

Subsequent to the completion of the Acquisition, the nature of the operations and principal activities of the Company are wholly those of the Group. The Group is primarily engaged in the production and sale of sweet potato snack food products across the PRC, which are processed from purple and orange-fleshed sweet potatoes. As at the Latest Practicable Date, the principal business operations of the Group are based in Liancheng county of Fujian province and its sweet potato snack food products are sold mainly to distributors and wholesalers who in turn distribute the sweet potato snack food products through e-commerce portals and to supermarkets, petrol kiosks, convenience stores and specialty stores throughout the PRC.

The Company was admitted to Catalist on 19 August 2009 (as Latitude Tree International Group Ltd.).

As at the Latest Practicable Date, the subsidiaries of the Company and their principal activities are as follows:

S/N	Name of Subsidiaries	Principal activities	Country of incorporation	Effective interest held by the Group (%)
Held by the Company:				
(1)	Zixin International Pte. Ltd. (formerly known as China Star Food Holdings Pte. Ltd.)	Investment holding	Singapore	100%
Held by Zixin International Pte. Ltd.:				
(1)	福建紫心生物薯业有限公司 Fujian Zixin Biological Potato Co., Ltd	Research, production and distribution of sweet potato food products	PRC	100%
Held by Fujian Zixin Biological Potato Co., Ltd:				
(1)	福建紫老虎食品有限公司 Fujian Zilaohu Food Co., Ltd.	Research, production and distribution of sweet potato food products	PRC	100%
(2)	连城县地中宝现代农业发展有限公司 Liancheng Dizhongbao Modern Agriculture Development Co., Ltd.	Cultivation, processing and sale of sweet potatoes	PRC	100%
(3)	福建星派食品有限公司 Fujian Xingpai Food Co., Ltd.	Sale of sweet potato food products	PRC	100%

(c) the general development of the business from the beginning of the period comprising the three (3) most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

(i) the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or

(ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;

The significant developments of the Group comprising the three (3) most recently completed financial years to the Latest Practicable Date are set out in chronological order below and include matters extracted from related announcements released by the Company via the SGXNET. Shareholders are advised to refer to the related announcements for further details.

FY2016

(a) On 10 July 2015, the Company announced that it had received the listing and quotation notice from the SGX-ST in relation to the acquisition by the Company of the entire issued and paid-up share capital of China Star Food Holdings Pte. Ltd. pursuant to the terms and subject to the conditions of the sale and purchase agreement dated 5 November 2014 (the "**Acquisition**").

(b) On 27 July 2015, the Company announced that it had on 27 July 2015 entered into a supplemental agreement to, *inter alia*, extend the long stop date in relation to the completion of the Acquisition.

(c) On 1 September 2015, the Company announced that the effective date for the capital reduction exercise, which was approved by Shareholders at the 2015 EGM, was 1 September 2015. The aforementioned capital reduction was carried out by the Company pursuant to Section 78C of the Act to reduce the issued and paid-up share capital of the Company by S$6,369,999 from S$6,370,000 to S$1.

The Company also announced that the books closure date for the cash distribution, which was approved by Shareholders at the 2015 EGM, was 5.00 p.m. on 9 September 2015. The aforementioned cash distribution will be carried out pursuant to the capital reduction, and involved a *pro-rata* cash distribution by the Company to Shareholders of an aggregate amount of S$3,674,066, or 6.85 cents in cash for each Share held as at the books closure date.

(d) On 17 September 2015, the Company announced that the aforementioned cash distribution has been made to entitled Shareholders on 17 September 2015. Pursuant to the cash distribution, an aggregate amount of S$3,674,066 has been returned to entitled Shareholders.

(e) On 23 September 2015, the Company announced, *inter alia*, completion of the Acquisition on 22 September 2015.

The Company also announced the following appointments and resignations, pursuant to completion of the Acquisition, with effect from 22 September 2015:

(i) the appointment of Mr Liang Chengwang, Mr Chen Huajing, Ms Huang Lu, Mr Koh Eng Kheng Victor, Mr Loh Wei Ping, and Mr Lim Teck Chai, Danny as Directors of the Company;

(ii) the resignation of Mr Yek Siew Liong, Mr Timothy Yek Li-Yuan, Mr Ng Wei Hua, Mr Phuan Phui Seck, and Mr John Justianus Dijong as Directors of the Company;

(iii) the resignation of Mr Ng Wei Hua as Chief Executive Officer of the Company;

(iv) the appointment of Mr Liang Chengwang as Chief Executive Officer of the Company; and

(v) the appointment of Mr Chan Siew Kit as Chief Financial Officer of the Company.

Pursuant to the above appointments and resignations, the Company also announced the following composition of the Board and Board Committees with effect from 22 September 2015:

Board of Directors

Mr Liang Chengwang	:	Executive Chairman and Chief Executive Officer
Mr Chen Huajing	:	Executive Director
Ms Huang Lu	:	Non-executive Director
Mr Koh Eng Kheng Victor	:	Lead Independent Director
Mr Loh Wei Ping	:	Independent Director
Mr Lim Teck Chai, Danny	:	Independent Director

Audit Committee ("AC")

Mr Loh Wei Ping	:	Chairman
Mr Koh Eng Kheng Victor	:	Member
Mr Lim Teck Chai, Danny	:	Member

Nominating Committee ("NC")

Mr Koh Eng Kheng Victor	:	Chairman
Mr Liang Chengwang	:	Member
Mr Lim Teck Chai, Danny	:	Member

Remuneration Committee ("RC")

Mr Lim Teck Chai, Danny	:	Chairman
Ms Huang Lu	:	Member
Mr Loh Wei Ping	:	Member

Pursuant to completion of the Acquisition, the Company also announced the change of its name from "Brooke Asia Limited" to "China Star Food Group Limited" with effect from 22 September 2015. The change of name was approved by Shareholders at the 2015 EGM.

(f) On 15 October 2015, the Company announced that it had received a letter from the SGX-ST on 6 October 2015 stating, *inter alia*, that the SGX-ST had no objection to an extension of the validity of the listing and quotation notice received in relation to the Acquisition for a period of two (2) months until 5 December 2015, subject to certain conditions.

(g) On 9 November 2015, the Company announced that its financial year end has been changed from 30 June to 31 March to align with the same financial year end of China Star Foods Holdings Pte. Ltd. and its subsidiaries.

(h) On 18 November 2015, the Company announced a proposed share consolidation of every four (4) existing Shares into one (1) consolidated Share.

(i) On 8 December 2015, the Company announced that the SGX-ST had, on 7 December 2015 given its approval for the listing and quotation in relation to the aforementioned share consolidation, subject to certain conditions.

(j) On 11 December 2015, the Company announced that the books closure date for the aforementioned share consolidation is 5.00 p.m. on 21 December 2015.

Shareholders approved the aforementioned share consolidation at an extraordinary meeting of the Company held on 11 December 2015.

(k) On 22 December 2015, the Company announced completion of the aforementioned share consolidation with effect from 9.00 a.m. on 22 December 2015.

(l) On 15 February 2016, the Company announced that had received a letter from the SGX-ST on 12 February 2016 stating, *inter alia*, that the SGX-ST had no objection to a further extension of the validity of the listing and quotation notice received in relation to the Acquisition for a period of two (2) months until 5 April 2016, subject to certain conditions.

FY2017

(a) On 5 April 2016, the Company announced the resignation of Mr Chen Huajing as executive director of the Company with effect from 7 April 2016.

(b) On 13 April 2016, the Company announced that it that it had, on 12 April 2016, for the purpose of the Proposed Compliance Placement, entered into a placement agreement with PrimePartners Corporate Finance Pte. Ltd., pursuant to which PrimePartners Corporate Finance Pte. Ltd. has been appointed as the placement agent to place out up to an aggregate of 25,250,000 new shares with 50,500,000 free detachable warrants, on the basis of two (2) warrants for every placement share subscribed (the "**2016 Warrants**"), at the placement price of S$0.23 per placement share (the "**2016 Placement**").

(c) On 18 April 2016, the Company announced the completion of the 2016 Placement on 18 April 2016.

(d) On 20 August 2016, the Company announced that it received a letter of demand (the "**Letter of Demand**") dated 19 August 2016 from lawyers acting for a claimant, Mr. Cheong Chee Hwa ("**CCH**"), which alleges certain breaches by the Company under a sale and purchase agreement dated 5 November 2014 previously entered into between, *inter alia*, the Company and CCH, as may be amended or supplemented, in relation to the sale of the CCH's shares in China Star Food Holdings Pte. Ltd. to the Company in connection with the Company's reverse takeover.

(e) On 30 August 2016, the Company announced it had sought legal advice in relation to the claims alleged in the Letter of Demand and was advised that the allegations in the Letter of Demand were without merit. In that regard, the Company's legal advisor has on behalf of the Company responded to CCH's lawyers to deny all of the allegations made in the Letter of Demand.

(f) On 28 September 2016, the Company announced that Huang Lu, a Non-Executive Director and Controlling Shareholder of the Company holding 84,339,999 ordinary shares in the capital of the Company, had on 23 September 2016, entered into conditional sale and purchase agreements with purchasers and upon completion of the transfers under these conditional sale and purchase agreements, she will cease to be a Shareholder of the Company.

(g) On 3 November 2016, the Company announced that it had been served with a Writ of Summons on 3 November 2016, filed by CCH against the Company in the High Court of the Republic of Singapore (the "**Writ**"), pursuant to which CCH claimed the sum of S$2,544,696.00 or damages to be assessed, on the basis of claims that mirror those made in the Letter of Demand.

As the Company had already sought legal advice on the Letter of Demand and its solicitors had responded to deny the claim and the allegations, the Company took the same position in relation to the Writ and decided to defend the legal action.

(h) On 30 November 2016, the Company announced the appointment of Mr Yeo Choon Tat as deputy chief executive officer of the Company with effect from 1 December 2016.

(i) On 24 January 2017, the Company announced the resignation of Mr Loh Wei Ping as independent director of the Company with effect from 24 January 2017.

(j) On 9 February 2017, the Company announced the appointment of Ms He Jing as independent director of the Company with effect from 9 February 2017.

The Company also announced the following changes to the composition of its Board and the AC with effect from 9 February 2017:

(i) the appointment of Ms He Jing, an independent director of the Company, as a member of the AC; and

(ii) the appointment of Mr Koh Eng Kheng Victor, the lead independent director of the Company, as the Chairman of the AC.

FY2018

(a) On 26 April 2017, the Company announced the resignation of Mr Lim Tech Chai, Danny as independent director of the Company with effect from 26 April 2017.

(b) On 5 May 2017, the Company announced the resignation of Ms Huang Lu as non-executive director of the Company with effect from 5 May 2017.

(c) On 31 May 2017, the Company announced the resignation of Mr Chan Siew Kit as chief financial officer of the Company with effect from 31 May 2017.

The Company also announced the re-designation of Mr Yeo Choon Tat as the chief financial officer of the Company from the deputy chief executive officer with effect from 31 May 2017.

(d) On 3 July 2017, the Company announced the appointment of Mr Kuan Cheng Tuck and Ms Chen Zhen as independent director of the Company with effect from 3 July 2017.

The Company also announced the following changes to the composition of its Board and Board Committees with effect from 3 July 2017:

(i) the relinquishment of the position of Mr Koh Eng Kheng Victor as the chairman of the AC and he will remain as a member of the AC;

(ii) the appointment of Mr Kuan Cheng Tuck, an independent director of the Company, as Chairman of the AC, a member of the RC and NC; and

(iii) the appointment of Ms Chen Zhen, an independent director of the Company, as a member of the AC, NC and RC.

(e) On 28 July 2017, the Company announced the retirement of Mr Koh Eng Kheng Victor as lead independent director of the Company with effect from 28 July 2017.

The Company also announced the following changes to the composition of its Board and Board Committees with effect from 28 July 2017:

(i) the retirement of Mr Koh Eng Kheng Victor as lead independent director of the Company, Chairman of the NC, and member of the AC and RC respectively;

(ii) the appointment of Mr Kuan Cheng Tuck, an independent director of the Company, as lead independent director in the place of Mr Koh Eng Kheng Victor; and

(iii) the appointment of Ms Chen Zhen, an independent director of the Company, as the Chairman of the NC.

(f) On 15 August 2017, the Company announced the appointment of Mr Lee Choong Onn as non-executive director of the Company with effect from 15 August 2017.

(g) On 16 January 2018, the Company announced the resignation of Mr Kuan Cheng Tuck as lead independent director of the Company with effect from 16 January 2018.

(h) On 31 January 2018, the Company announced the resignation of Ms Chen Zhen as independent director of the Company with effect from 31 January 2018.

The Company also announced the appointment of Mr Luo Jiachang as Executive Director of the Company with effect from 1 February 2018.

(i) On 6 February 2018, the Company announced the appointment of Mr Leow Yong Kin as lead independent director of the Company with effect from 6 February 2018.

The Company also announced the following changes to the composition of its Board and Board Committees with effect from 6 February 2018:

(i) the appointment of Mr Leow Yong Kin, the lead independent director of the Company, as chairman of both the AC and the NC, and a member of the RC respectively;

(ii) the appointment of Ms He Jing, an independent director of the Company, as a member of the NC; and

(iii) the appointment of Mr Lee Choong Onn, a non-executive director of the Company, as a member of the AC.

(j) On 8 February 2018, the Company announced the appointment of Mr Lim Kok Meng as secretary of the Company with effect from 8 February 2018. Pursuant to this appointment, the secretaries of the Company are Ms Kelly Kiar Lee Noi and Mr Lim Kok Meng.

(k) On 21 February 2018, the Company announced the resignation of Mr Lee Choong Onn as non-executive director of the Company with effect from 21 February 2018.

(l) On 28 February 2018, the Company announced the resignation of Ms Kiar Lee Noi as secretary of the Company with effect from 28 February 2018. Mr Lim Kok Meng remains as secretary of the Company.

The Company also announced that its registered office address be changed from 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 to 24 Raffles Place, #19-05 Clifford Centre, Singapore 048621 with immediate effect.

(m) On 12 March 2018, the Company announced that it had, on 9 March 2018, entered into five (5) subscription agreements with five (5) subscribers, namely Mr Liu Nai Lin, Mr Pan Ruliang, Mr Jiang Benwei, Mr Luo Fangfen and PTS Capital Pte Ltd, pursuant to which the Company would allot and issue an aggregate of 40,000,000 subscription shares to the subscribers at an issue price of S$0.09 per subscription share (the "**2018 Placement**").

(n) On 16 March 2018, the Company announced that the 2016 Warrants, terms of which are constituted in the deed pool executed by the Company on 12 April 2016, would expire at 5.00 p.m. on 17 April 2018.

(o) On 29 March 2018, the Company announced that it had received the listing and quotation notice from the SGX-ST for the listing and quotation of the subscription shares in relation to the 2018 Placement on Catalist, subject to compliance with the SGX-ST's listing requirements.

1 April 2018 to the Latest Practicable Date

(a) On 9 April 2018, the Company announced the completion of the 2018 Placement on 9 April 2018.

(b) On 31 May 2018, the Company announced the appointment of Mr Ng Poh Khoon as independent director of the Company with effect from 31 May 2018.

The Company also announced the following change to the composition of its Board and Board Committees with effect from 31 May 2018:

(i) the appointment of Mr Ng Poh Khoon, an independent director of the Company, as a member of the AC, NC and RC respectively.

(c) On 13 August 2018, the Company announced the resignation of Mr Leow Yong Kin as lead independent director of the Company with effect from 13 August 2018.

The Company also announced the following change to the composition of its Board and Board Committees with effect from 13 August 2018:

(i) the appointment of Mr Ng Poh Khoon, an independent director of the Company, as chairman of both the AC and NC respectively.

(d) On 12 November 2018, the Company announced the appointment of Mr Chong Yang Kan as independent director of the Company with effect from 12 November 2018.

The Company also announced the following change to the composition of its Board and Board Committees with effect from 12 November 2018:

(i) the appointment of Mr Chong Yang Kan, an independent director of the Company, as chairman of the NC, and a member of the AC and RC respectively.

(e) On 10 December 2018, the Company announced the Rights Issue, the subject of which is contained in this Offer Information Statement.

(f) On 3 January 2019, the Company announced the re-designation of Mr Yeo Choon Tat from the Chief Financial Officer to the Deputy Chief Executive Officer of the Company with effect from 3 January 2019.

(g) On 3 January 2019, the Company announced the appointment of Mr Yi Ming as the Chief Financial Officer with effect from 3 January 2019.

(h) On 8 January 2019, the Company announced the appointment of Mr Chen Hua Jing as an Executive Director of the Company with effect from 3 January 2019.

(i) On 8 January 2019, the Company announced the resignation of Mr Luo Jia Chang as an Executive Director of the Company with effect from 3 January 2019.

(j) On 11 March 2019, the Company announced the resignation of Mr Yeo Choon Tat as the Deputy Chief Executive Officer with effect from 31 May 2019.

(k) On 21 March 2019, the Company announced that it had received the listing and quotation notice from the SGX-ST, subject to compliance with the SGX-ST's listing requirements, in relation to the listing and quotation of up to 296,909,050 Rights Shares on Catalist.

(l) On 1 April 2019, the Company announced that the High Court of the Republic of Singapore had dismissed the claim brought by CCH against the Company.

(m) On 24 April 2019, the Company announced the Books Closure Date in relation to the Rights Issue.

Save as disclosed in this Offer Information Statement and as publicly announced by the Company via SGXNET, there have been no material changes in the affairs of the Group for the period comprising the three (3) most recently completed financial years to the Latest Practicable Date.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

As at the Latest Practicable Date, the Company's equity capital is as follows:

Issued and paid-up share capital	:	S$183,772,517.50
Number of ordinary shares in issue (excluding treasury shares)	:	296,909,050 Shares
Loan capital	:	Nil
Number of treasury shares	:	Nil

(e) where –

(i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or

(ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

As at the Latest Practicable Date, based on the information in the Register of Substantial Shareholders maintained by the Company pursuant to the Companies Act, the Substantial Shareholders of the Company and the number of Shares in which they have an interest are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%)[1]	Number of Shares	Shareholding (%)[1]
Substantial Shareholders				
Liang Chengwang	80,283,000	27.00	–	–
Zhang Haibo[2]	–	–	50,155,400	16.89
Yu Lei	–	–	44,971,600	15.09
PTS Capital Pte. Ltd.	44,971,600	15.09	–	–
Xue Congyan	15,000,000	5.10	–	–

Notes:

(1) Calculated based on 296,909,050 Existing Shares.

(2) As Zhang Haibo owns more than 20% of the voting rights in PTS Capital Pte. Ltd., Zhang Haibo is deemed to have an interest in the shares in the Company held by PTS Capital Pte. Ltd. Zhang Haibo also owns more than 20% of the voting rights in Panoramic Results Limited, which is an existing shareholder of the Company.

(f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;

Save as disclosed below, as at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which the Company and/or any of its subsidiaries is a party and which is pending or known to be contemplated, which, in the opinion of the Directors, may have or have had in the last 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group:

(a) On 3 November 2016, the Company announced that it had been served with a Writ of Summons, filed by Mr. Cheong Chee Hwa ("**CCH**") against the Company in the High Court of the Republic of Singapore (the "**Writ**"), pursuant to which CCH claimed the sum of S$2,544,696.00 or damages to be assessed, on the basis of certain alleged breaches by the Company under a sale and purchase agreement dated 5 November 2014 previously entered into between, *inter alia*, the Company and CCH in relation to the sale of the CCH's shares in China Star Food Holdings Pte. Ltd. to the Company in connection with the Company's reverse takeover.

The Company had already sought legal advice in relation to a letter of demand dated 19 August 2016 from lawyers acting for CCH, which alleges claims that mirror those in the Writ. As the Company's solicitors had responded to deny the claim and the allegations in the Letter of Demand, the Company took the same position in relation to the Writ and decided to defend the legal action.

On 1 April 2019, the Company announced that the trial has been concluded and that the SGHC had released its written judgement on 29 March 2019, in which CCH's claims against the Company were dismissed by the SGHC (the "**SGHC Judgement**"). CCH has one (1) month from the date of the SGHC Judgement to appeal the decision to the SGCA, that is, by 29 April 2019.

(g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –

(i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or

(ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;

The Company has not issued any securities, securities-based derivatives contracts or equity interests within the 12 months immediately preceding the Latest Practicable Date.

(h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of two (2) years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

As at the Latest Practicable Date, save as disclosed below and in paragraph 8(c) in the Section entitled "**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 – Part 4 – Key Information**", neither the Company nor any of its subsidiaries has entered into any other material contract (not being a contract entered into in the ordinary course of business) during the period of two (2) years immediately preceding the date of lodgement of this Offer Information Statement:

(a) in relation to the 2018 Placement, the five (5) subscription agreements entered into on 9 March 2018 between the Company and five (5) subscribers, namely Mr Liu Nai Lin, Mr Pan Ruliang, Mr Jiang Benwei, Mr Luo Fangfen and PTS Capital Pte Ltd for the subscription of 40,000,000 subscription shares at an issue price of S$0.09 per subscription share.

PART 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

OPERATING RESULTS

1. Provide selected data from –

(a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the three (3) most recently completed financial years) for which that statement has been published; and

(b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The summary of the following financial information and the relevant commentaries should be read in conjunction with the full text of the annual reports and/or relevant financial result announcements for the respective financial periods and financial years. Figures presented herewith are subject to rounding.

The summary of the audited consolidated income statements of the Group for FY2016, FY2017, FY2018, and the unaudited consolidated income statements for 3QFY2018 and 3QFY2019 are set out below:

Consolidated Income Statements of the Group

Group	FY2016 RMB'000 (Audited)	FY2017 RMB'000 (Audited)	FY2018 RMB'000 (Audited)	3Q FY2018 RMB$'000 (Unaudited)	3Q FY2019 RMB$'000 (Unaudited)
Revenue	470,907	392,722	221,334	92,264	113,300
Cost of sales	(262,089)	(234,461)	(161,462)	(67,066)	(82,626)
Gross profit	208,818	158,261	59,872	25,198	30,674
Interest income	3,978	3,521	2,790	649	956
Other income	245	1	70	–	213
Other gains	1,464	–	–	–	–
Marketing and distribution costs	(55,895)	(77,220)	(15,025)	(7,978)	(7,928)
Administrative expenses	(37,621)	(37,278)	(31,109)	(9,483)	(8,733)
Other losses	(2,858)	(14,520)	(170)	–	–
Finance costs	(1,022)	(808)	(1,070)	(351)	(365)
Other operating expenses	(401)	–	–	–	(84)
Other expenses	(70,554)	–	–	–	–
Profit before income tax	46,154	31,957	15,358	8,035	14,733
Income tax expense	(29,851)	(10,382)	(2,883)	–	(2,942)
Profit for the year, net of tax	16,303	21,575	12,475	8,035	11,791

Group	FY2016 RMB'000 (Audited)	FY2017 RMB'000 (Audited)	FY2018 RMB'000 (Audited)	3Q FY2018 RMB$'000 (Unaudited)	3Q FY2019 RMB$'000 (Unaudited)
Other comprehensive income/(loss):					
Items that will or may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	249	(29)	85	57	7
Total comprehensive income for the year	16,552	21,546	12,560	8,092	11,798

2. The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:

(a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;

(b) earnings or loss per share; and

(c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

No dividends were declared for FY2016, FY2017, FY2018, 3QFY2018 and 3QFY2019.

As an illustration only and assuming that the Rights Issue had been completed on 1 April of the respective financial years, the financial effects of the Rights Issue on the EPS of the Group based on FY2016, FY2017, FY2018, 3QFY2018, 3QFY2019 are as follows:

	Audited FY2016	Audited FY2017	Audited FY2018	Unaudited 3QFY2018	Unaudited 3QFY2019
Dividends per Share	Nil	Nil	Nil	Nil	Nil
Profit, net of tax attributable to Shareholders (RMB'000)	**16,303**	**21,575**	**12,475**	**8,035**	**11,791**
EPS before the Rights Issue[1]					
Weighted average number of Shares in issue ('000)	221,072	255,660	256,909	256,909	296,909
EPS (RMB cents)					
– Basic and diluted[3]	7.37	8.44	4.86	3.13	3.97
EPS after the Rights Issue[2]					
Weighted average number of Shares in issue ('000)	517,981	552,569	553,815	553,815	593,818
EPS (RMB cents)					
– Basic and diluted[3]	3.15	3.90	2.25	1.45	1.99

Notes:

(1) Calculated based on 296,909,050 Existing Shares.

(2) For illustrative purposes only, based on the Enlarged Share Capital following the allotment and issuance of the 296,909,050 Rights Shares.

(3) Basic EPS is the same as diluted EPS as the Company does not have any outstanding dilutive equity instruments as the 2016 Warrants had expired since 17 April 2018.

3. Despite paragraph 1 of this Part, where –

(a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and

(b) the audited financial statements for that year are unavailable,

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

Not applicable. The audited financial statements in respect of FY2018, which is the most recently completed financial year, have been published and are made available on the SGX website at http://www.sgx.com/.

4. In respect of –

(a) each financial year (being one of the three (3) most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group.

A summary of the operations, business and financial performance of the Group is set out below:

3QFY2019 vs 3QFY2018

The increase in revenue of approximately RMB21.0 million or 22.8% was mainly attributable to the increase in sales from candies and crisps as a result of better market penetration from the increased effort in higher in-house production volume.

Interest income increased by approximately RMB0.3 million mainly due to unwinding amount of the finance income which arose from the discounting of five annual repayments for the transfer of leased farmland by the Group to a sweet potato supplier, and other income of RMB0.2 million in 3Q2019 was derived from rental income generated from an old factory.

Administrative expenses decreased by RMB0.75 million or 7.9% mainly due to decrease in ad-hoc research and development costs for new products, and income tax expense increased by 100.0% to RMB2.9 million in 3Q2019. This increase in income tax expense was due to improved profits of the Group in 3QFY2019 when compared to losses in 3Q2018.

Overall, compared to 3QFY2018, the Group reported an increase in gross profit by approximately RMB5.4 million or 21.7% on the back of the increase in revenue. Gross profit margin slightly decreased from 27.1% in 3Q2019 to 27.3% in 3Q2018 mainly attributable to the sales mix in the product categories which commanded different profit margins.

FY2018 vs FY2017

The decrease in revenue of approximately 43.6% in FY2018 over the corresponding year was predominately due to the Group's Zilaohu factory only having commenced its production in mid-September 2017 (the "**Production Resumption**") after a halt in the Group's production activities since April 2017.

Related interest and other income saw a decrease in FY2018 when compared with FY2017.

Total expenses for FY2018 decreased by approximately 67.1% to RMB47.1 million and this was primarily due to the following factors:

(a) marketing and distribution costs decreased by RMB62.2 million or 80.5% due primarily to decreases in delivery charges of RMB18.9 million, publicity expense of RMB1.8 million, advertisement costs of RMB39.3 million and sales personnel salaries and bonuses of RMB1.8 million. Such decreases in marketing and distribution costs were mainly due to a change in the channel management strategy and minimal advertisement spending in FY2018;

(b) administrative expenses decreased by RMB6.2 million or 16.5% mainly due to the absence of the retrenchment fee of RMB6.5 million which incurred in FY2017 as a result of the closure of two of the Group's factories, decreased in administrative staff salaries by RMB0.7 million and utilities expenses of RMB0.7 million; and

(c) other operating expenses decreased by RMB14.4 million or 98.8% and this was primarily due to the absence of following: loss on disposal of property, plant and equipment of RMB5.6 million in FY2017, write-off of obsolete packaging materials of RMB2.5 million and additional expenses of RMB4.2 million relating to value-added tax on promotional sales items that are not claimable in FY2017.

Overall, compared to FY2017, the Group reported a lower profit for FY2018 and this was predominately due to (i) lower sale prices resulting from a change in channel management strategy, which corresponds to lower outbound freight charges as most distributors have now absorbed such expenses for the Group (see further analysis in item (a) in this paragraph above); and (ii) higher cost of sales as the Group had subcontracted the bulk of its production during the Production Resumption so as to catch up on the revenue loss whilst the Zilaohu factory restores to its normal production level.

FY2017 vs FY2016

The decrease in revenue of approximately 16.6% in FY2017 over the corresponding year was predominately due to a decrease in sales from baked goods, pastries, roasted sweet potato nuts, preserved foods and crisps as a result of the closure of two of the Group's factories since the end of January 2017 following the local government general directive to tighten the pollution control requirements (the "**Factories Closure**").

Related interest and other income saw a decrease in FY2017 when compared with FY2016.

Total expenses for FY2017 decreased by approximately 70.7% to RMB140.2 million and this was primarily due to the following factors:

(a) marketing and distribution costs increased by RMB21.3 million or 38.2% due primarily to an increase in advertisement costs of RMB33.3 million, partially offset by the decrease in indirect sales promotional expenses, delivery charges and sales personnel salaries and bonuses which were in line with the decrease in revenue. Notwithstanding the production halt at the new factory as announced on 11 May 2017, the Group felt that an increase in advertisement activities was in line with its marketing strategy to continue promoting brand awareness so as to increase its' market share in an increasingly competitive market;

(b) other losses totalled RMB12.3 million in FY2017 compared with RM2.9 million in FY2016. It comprised mainly a loss on disposal of property, plant and equipment of RMB5.6 million, write-off of obsolete packaging materials of RMB2.5 million and additional expenses of RMB4.2 million relating to value-added tax on promotional sales items that are not claimable; and

(c) other expenses of RMB70.6 million in FY2016 comprised goodwill written off and reverse takeover expenses of RMB36.7 million and RMB33.9 million respectively. These other expenses did not recur in FY2017.

Overall, compared to FY2016, the Group reported a lower gross profit for FY2017 and this was predominately due to the decrease in revenue. Gross profit margin also decreased predominantly as a result of direct sales promotional activities in FY2017.

FINANCIAL POSITION

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –

(a) the most recent completed financial year for which audited financial statements have been published; or

(b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of financial position of the Group as at 31 March 2018 as well as the unaudited consolidated statement of financial position of the Group as at 31 December 2018 is set out below:

Group	Audited as at 31 March 2018 RMB'000	Unaudited as at 31 December 2018 RMB'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	111,285	117,004
Intangible assets	39,994	37,359
Other receivables, non-current	6,051	–
Other assets, non-current	81,938	163,709
Deferred tax assets	7,162	7,162
Total Non-Current Assets	246,430	325,234
Current Assets		
Inventories	1,720	4,135
Trade and other receivables	45,792	38,767
Other assets, current	29,059	31,763
Cash and cash equivalents	126,578	124,197
Total Current Assets	203,149	198,862
Total Assets	449,579	524,096
EQUITY AND LIABILITIES		
Equity		
Share capital	113,154	130,362
Retained earnings	224,599	254,637
Other reserves	41,297	45,499
Total equity	379,050	430,498

Group	Audited as at 31 March 2018 RMB'000	Unaudited as at 31 December 2018 RMB'000
Non-Current Liabilities		
Deferred tax liability	451	451
Total Non-Current Liabilities	451	451
Current Liabilities		
Income tax payable	1,397	2,942
Trade and other payables	46,181	68,181
Other financial liabilities	22,500	22,024
Total Current Liabilities	70,078	93,147
Total Liabilities	70,529	93,598
Total Liabilities & Equity	449,579	524,096

6. The data referred to in paragraph 5 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:

(a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;

(b) net assets or liabilities per share; and

(c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

As an illustration only and assuming that the Rights Issue had been completed on 31 March 2018 and 31 December 2018 respectively, the financial effects of the Rights Issue on the NAV based on the audited consolidated statement of financial position of the Group as at 31 March 2018 and the unaudited consolidated statement of financial position of the Group as at 31 December 2018 are as follows:

	Audited As at 31 March 2018	**Unaudited At as 31 December 2018**
NAV before the Rights Issue (RMB'000)	379,050	430,498
Net proceeds from the Rights Issue (RMB'000)	21,384	21,384
NAV after adjusting for the Rights Issue (RMB'000)	400,434	451,882
Before the Rights Issue		
Number of Shares in issue	256,909,000	296,909,050
NAV per Share (RMB)	1.48	1.45
After the Rights Issue		
Number of Shares in issue	553,818,050	593,818,100
NAV per Share (RMB)	0.72	0.76

LIQUIDITY AND CAPITAL RESOURCES

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –

(a) the most recent completed financial year for which financial statements have been published; and

(b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of cash flow for FY2018 and the unaudited consolidated statement of cash flow for 3QFY2019 are set out below:

Group	FY2018 RMB'000 (Audited)	3QFY2019 RMB'000 (Unaudited)
Net cash flows from operating activities	51,624	24,905
Net cash flows used in investing activities	(78,272)	(64,921)
Net cash flows from financing activities	8,128	1,348
Net increase decrease in cash and cash equivalents	(18,520)	(38,668)
Cash and cash equivalents at the beginning of the financial year	145,098	126,578
Cash and cash equivalents at end of the financial year/period	126,578	121,673

A review of the statement of cash flows of the Group is set out below:

FY2018

Net cash used in operating activities

The Group had a positive cash flow from operating activities of RMB51.6 million in FY2018, mainly due to the profit before income tax, adjustment for Property, Plant and Equipment ("**PPE**") depreciation and changes in working capital.

Net cash used in investing activities

The Group incurred a net cash outflow from investing activities of RMB78.3 million in FY2018, mainly due to a final payment of RMB43.2 million made against two (2) sweet potatoes supply contracts signed in FY2017 and an advance payment of RMB24.6 million to a new supplier of sweet potatoes.

The Group also incurred a net cash outflow due to additional investment in PPE and increase in construction work in progress of Zilaohu factory amounting to RMB9.0 million and RMB1.1 million respectively.

Net cash from financing activities

The Group incurred a net cash outflow from financing activities of RMB8.1 million in FY2018, mainly due to a proceed from new bank loan of RMB5.0 million, renewal of existing bank loan of RMB12.8 million and loans from a shareholder and a director of RMB2.5 million and RMB1.5 million respectively.

3QFY2019

Net cash used in operating activities

The Group had a lower positive cash flow from operating activities of RMB24.9 million from activities in 3QFY2019 and this was mainly due to the profit before income tax, adjustments for PPE depreciation and changes in working capital.

Net cash used in investing activities

The Group incurred a net cash outflow from investing activities of RMB64.9 million mainly due to increase in advance payment for supplies of sweet potatoes, acquisition of property, plant and equipment, payment for land improvement project and payment for land lease.

Net cash from financing activities

The Group incurred a net cash outflow from financing activities of RMB1.3 million, mainly due to the net increase in bank borrowings by subsidiary in China in 3Q2019.

As a result of the above, the Group's net decrease in cash and cash equivalents during 3Q2019 was RMB38.7 million, and stood at RMB121.7 million as at 31 December 2018.

8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgment of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.

As at the date of this Offer Information Statement, the Directors are of the reasonable opinion that, barring unforeseen circumstances and after taking into consideration the present bank facilities available to the Group, and the Group's internal resources of funds and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding this, the Company is undertaking the Rights Issue based on the potential Net Proceeds to be raised for the reasons stated in paragraph 3 of Part 4 of this Offer Information Statement.

9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –

(a) a statement of that fact;

(b) details of the credit arrangement or bank loan; and

(c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

As at the Latest Practicable Date, and to the best knowledge of the Directors, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Company's financial position and results or business operations, or the investments by holders of securities in the Company.

TREND INFORMATION AND PROFIT FORECAST OR PROFIT ESTIMATE

10. Discuss –

(a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and

(b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the Section entitled "**Cautionary Note on Forward-Looking Statements**" of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

Business and financial prospects

As disclosed in the Group's financial results for 3QFY2019, the operations of the Group has stabilized since the factory has resumed operations. Net profit has also improved in this quarter as there was lesser sub-contracting production supply and effective cost control measures in the quarter under review. As previously disclosed, the Group had, in September 2018, renewed a supply contract with an existing supplier which allowed for another five (5) years' supply of raw sweet potato from 2,000 mu of cultivated land. Further to this, the Group has to date secured raw sweet potato supply amounting to 7,600 mu, and the Group might continue to acquire new plantations.

Barring any unforeseen circumstances, the Group remains optimistic about the business outlook for the sweet potato snack food industry in China despite increased competition. The Group continues to position itself for the growth from (i) product varieties arising from continuing investment in research and development; (ii) production capacity expansion to meet the growing demand in PRC for sweet potato snack food; and (iii) sales channel expansion through greater advertising and sales promotional activities.

Uncertainties, events, factors and risks

To the best of the Directors' knowledge and belief, the risk factors that are material to prospective investors and Shareholders in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out in **Appendix A** of this Offer Information Statement. Prospective investors and Shareholders should carefully consider and evaluate each of them and all other information contained in this Offer Information Statement before deciding whether to invest in the Shares and/or the Rights Shares.

11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Not applicable. There is no profit forecast or profit estimate disclosed in this Offer Information Statement.

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part –

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

SIGNIFICANT CHANGES

16. Disclose any event that has occurred from the end of –

(a) the most recent completed financial year for which financial statements have been published; or

(b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any event which has occurred since 31 December 2018 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

MEANING OF "PUBLISHED"

17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

PART 6 – THE OFFER AND LISTING

OFFER AND LISTING DETAILS

1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.

The Issue Price for each Rights Share is S$0.015, payable in full upon acceptance and/or application.

The expenses incurred in the Rights Issue will not be specifically charged to subscribers or Purchasers of the Rights Shares. The expenses in relation to the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

An administrative fee will be incurred for each successful Electronic Application made through the ATMs of the respective Participating Banks, and such administrative fee will be borne by the subscribers or Purchasers of the Rights Shares.

2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

Not applicable. The Shares are, and the Rights Shares will be, traded on Catalist.

3. If –

(a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and

(b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions outside Singapore, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement for further details.

4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange –

(a) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts –

(i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

(b) in a case where the firstmentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the firstmentioned securities or securities-based derivatives contracts –

(i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

(c) disclose any significant trading suspension that has occurred on the approved exchange during the three (3) years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than three (3) years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and

(d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the securities exchange.

(a) The Rights Shares to be issued upon subscription are of the same class as the Shares and the Shares are listed for quotation on the Catalist.

The price range and volume of the Shares traded on Catalist during the twelve (12) months immediately preceding the Latest Practicable Date and for the period from 1 April 2018 to the Latest Practicable Date are as follows:

	Price Range		
Month/Year	**Low (S$)**	**High (S$)**	**Volume**
April 2018	0.060	0.070	12,671,800
May 2018	0.064	0.071	4,152,900
June 2018	0.060	0.069	1,213,200
July 2018	0.057	0.067	1,904,400
August 2018	0.050	0.062	1,922,400
September 2018	0.041	0.058	5,859,600
October 2018	0.033	0.046	28,327,300
November 2018	0.033	0.046	16,478,900
December 2018	0.018	0.039	52,636,000
January 2019	0.019	0.023	2,528,100
February 2019	0.02	0.036	14,727,300
March 2019	0.026	0.037	12,342,800
1 April 2019 to Latest Practicable Date	0.024	0.032	15,303,468

Source: *www.shareinvestor.com*[(1)]

Note:

(1) ShareInvestor Pte Ltd. has not consented to the inclusion of the price range and volume of Shares quoted under this paragraph for the purposes of Section 249 and Section 277 of the SFA and is therefore not liable for such information under Sections 253 and 254 of the SFA. The Company has included the above price range and volume of Shares in their proper form and context in this Offer Information Statement and has not verified the accuracy of such information. The Company is not aware of any disclaimers made by ShareInvestor Pte Ltd. in relation to the above information.

(b) Not applicable. The Shares have been listed and quoted on the Catalist for more than twelve (12) months immediately preceding the Latest Practicable Date.

(c) There has been no significant trading suspension of the Shares on the Catalist during the three (3) years immediately preceding the Latest Practicable Date, save for temporary trading halts for the purposes of releasing material announcements.

(d) Please refer to the table set out in paragraph 4(a) of Part 6 of this Offer Information Statement for the volume of Shares traded during each of the last twelve (12) months immediately preceding the Latest Practicable Date and for the period from 1 April 2019 to the Latest Practicable Date.

5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –

(a) a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and

(b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or *pari passu* with the securities or securities-based derivatives contracts being offered.

Not applicable. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respect with the then existing Shares save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

The Rights Shares will be issued pursuant to the general share issue mandate approved by Shareholders at the AGM.

PLAN OF DISTRIBUTION

6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

The Rights Issue will be made on a renounceable non-underwritten basis by the Company to Entitled Shareholders, with up to 296,909,050 Rights Shares to be issued at the Issue Price, on the basis of one (1) Rights Share for every one (1) Existing Share of the Company, held by the Shareholders as at the Books Closure Date at the Issue Price, fractional entitlements to be disregarded.

The Rights Shares are payable in full upon acceptance and/or application, and upon allotment and issue, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares.

Entitled Shareholders will be at liberty to accept, decline, renounce (in full of in part) or in the case of Entitled Depositors only, trade on Catalist (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments of Rights Shares under the Rights Issue. Entitled Depositors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares may only do so through CDP or by way of an Electronic Application (as may be applicable).

Fractional entitlements to the Rights Shares will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and used to satisfy Excess Applications for Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

Provisional allotments of Rights Shares which are not taken up for any reason shall be aggregated and used to satisfy Excess Applications for Rights Shares (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders for rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment or issuance of any Excess Rights Shares that will result in a transfer of Controlling Interest in the Company unless otherwise approved by the Shareholders at a general meeting.

The Rights Issue will not be underwritten. In view of the savings in costs by the Company as a result of not having to pay any underwriting fees and commission, the Company has decided to proceed with the Rights Issue without having the Rights Issue being underwritten by any financial institution. In addition, as the Directors are of the opinion that as there is no minimum amount to be raised from the Rights Issue, it would be more cost efficient to proceed on a non-underwritten basis.

In order to avoid any violation of the securities legislation applicable in countries other than Singapore, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the Section entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement for further details.

The allotment and issue of the Rights Shares pursuant to the Rights Issue are governed by the terms and conditions set out in this Offer Information Statement, including Appendices B to D of this Offer Information Statement, the PAL, the ARE and the ARS.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.

Not applicable. The Rights Issue is not underwritten.

PART 7 – ADDITIONAL INFORMATION

STATEMENTS BY EXPERTS

1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.

Not applicable. No statement or report attributed to a person as an expert is included in this Offer Information Statement.

2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –

(a) state the date on which the statement was made;

(b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and

(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

Not applicable. No statement has been made by an expert in this Offer Information Statement.

3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.

Not applicable. No statement has been made by an expert in this Offer Information Statement.

CONSENTS FROM ISSUE MANAGERS AND UNDERWRITERS

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

Not applicable. No issue manager or underwriter has been appointed for the Rights Issue.

OTHER MATTERS

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –

(a) the relevant entity's business operations or financial position or results; or

(b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.

Save as disclosed in this Offer Information Statement and in the public announcements made by the Company via SGXNET and to the best of their knowledge, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations, financial position or results, or investments by holders of securities in the Company.

PART 8 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not applicable.

PART 9 – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

PART 10 – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE

1. Provide –

(a) the particulars of the rights issue;

The particulars of the Rights Issue are as follows:

Number of Rights Shares	:	Up to 296,909,050 Rights Shares to be issued.
Basis of provisional allotment	:	One (1) Rights Share for every one (1) Existing Share held by Entitled Shareholders as at the Book Closure Date, fractional entitlements to be disregarded.
Issue Price	:	S$0.015 for each Rights Share, payable in full on acceptance of the provisional allotments of the Rights Shares and/or application for the Excess Rights Shares.
Non-underwritten	:	The Rights Issue will not be underwritten. In view of the savings in costs by the Company as a result of not having to pay any underwriting fees and commission, and there being no minimum amount to be raised from the Rights Issue, the Company has decided to proceed with the Rights Issue without having the Rights Issue being underwritten by any financial institution. The Rights Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Catalist Rules.
Status of the Rights Shares	:	The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then Existing Shares in issue, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.
Eligibility to participate in the Rights Issue	:	Please refer to the section entitled "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement.

Listing of the Rights Shares	:	The Company has on 21 March 2019 obtained the listing and quotation from the SGX-ST for the listing and quotation of the Rights Shares on Catalist, subject to, *inter alia*, compliance with the SGX-ST's listing compliance requirements. The issue of the listing and quotation notice by the SGX-ST is not an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.
Trading of the Rights Shares	:	Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the Catalist under the book-entry (scripless) settlement system. For the purposes of trading on the Catalist, each board lot of Shares will comprise 100 Shares, or such other number of Shares as may be notified by the Company. Odd lots of Shares in board lots of a minimum of one (1) Share may be traded on the Unit Share Market of the SGX-ST.
Acceptances, Excess Applications and Payment Procedures	:	Entitled Shareholders will be at liberty to accept (in full or in part), or decline, or otherwise renounce or in the case of Entitled Depositors trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Rights Shares and will be eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares may only do so through CDP or by way of an electronic application (as may be applicable). Provisional allotments of Rights Shares which are not taken up for any reason shall be aggregated and used to satisfy Excess Applications for Rights Shares (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company.

In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders for rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will also not make any allotment or issuance of any Excess Rights Shares that will result in a transfer of Controlling Interest in the Company unless otherwise approved by the Shareholders at a general meeting.

The Rights Shares are payable in full upon acceptance of the provisional allotments of the Rights Shares and/or application for the Excess Rights Shares.

The procedures for acceptance, payment and Excess Application by Entitled Depositors, and the procedures for acceptance, payment, splitting, renunciation and Excess Application by Entitled Scripholders are set out in Appendices B to D of this Offer Information Statement and in the PAL, the ARE, and the ARS.

Fractional Entitlements : Fractional entitlements to Rights Shares will be disregarded in arriving at Shareholders' entitlements and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy Excess Applications (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Scaling Provisions	:	Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or Excess Applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for his *pro rata* Rights Shares and/or apply for Excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares entitlements fully. The Company will also not make any allotment and issue of any Excess Rights Shares that will result in a transfer of controlling interests in the Company unless otherwise approved by Shareholders in a general meeting.
Governing Law	:	Laws of the Republic of Singapore

(b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The last date and time for the splitting of the provisional allotment of the Rights Shares is on 8 May 2019 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Please refer to the Section of this Offer Information Statement entitled "**Expected Timetable of Key Events**" for more details.

(c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The last date and time for acceptance of and payment for the Rights Shares is on 14 May 2019 at 5.00 p.m. (at 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Please refer to the Section of this Offer Information Statement entitled "**Expected Timetable of Key Events**" for more details.

(d) the last day and time for renunciation of and payment by the renouncee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The last date and time for the acceptance of and payment for the Rights Shares by the Renouncee is 14 May 2019 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Please refer to the Section of this Offer Information Statement entitled "**Expected Timetable of Key Events**" for more details.

(e) the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;

The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices B to D of this Offer Information Statement, and in the PAL, the ARE and the ARS.

(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and

Not applicable. There are no undertakings from the substantial shareholders to subscribe for their entitlements under the Rights Issue.

(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

The Company has decided to proceed with the Rights Issue on a non-underwritten basis as it is of the view that:

(i) the Issue Price of S$0.015 for each Rights Share is sufficiently attractive for the existing Shareholders of the Company who have acquired Shares at a historically higher price;

(ii) there is no minimum amount to be raised from the proposed Rights Issue, as in the event that the Company is unable to raise sufficient funds, it will source for alternative sources of funding, including but not limited to, raising capital from through private placements; and

(iii) the Company will enjoy savings in costs as a result of not having to bear any underwriting fees and commission.

PART 11 – ADDITIONAL INFORMATION REQUIRED FOR OFFER INFORMATION STATEMENT FOR PURPOSES OF SECTION 277(1AC)(A)(I) OF THE ACT

Not applicable.

1. WORKING CAPITAL

Provide a review of the working capital for the last three (3) financial years and the latest half year, if applicable.

The working capital of the Group for FY2016, FY2017, and FY2018 and 3QFY2019 is set out below:

Group	FY2016 RMB'000 (Audited)	FY2017 RMB'000 (Audited)	FY2018 RMB'000 (Audited)	3QFY2019 RMB'000 (Unaudited)
Current Assets	232,376	175,807	203,149	198,862
Current Liabilities	70,749	33,053	70,078	93,147
Net Current Assets Liabilities	161,627	142,754	133,071	105,715

Review of working capital

3QFY2019 vs FY2018

Current assets decreased by approximately RMB4.3 million in 3QFY2019 when compared to FY2018. This was primarily due to a decrease in trade and other receivables resulting from (i) decrease in trade receivables as a result of successful collections from few major customers; (ii) offset by the increase in trade receivables; and (iii) offset by the increase in other receivables related to a second advance payment to a supplier of sweet potatoes.

Current liabilities increased by approximately RMB23.1 million in 3QFY2019 when compared with FY2018 and this was primarily due to (i) settlement of trade payables; (ii) settlement of other payables for Singapore office operations; and (iii) offset by the operating costs accrual in the period under review.

FY2018 vs FY2017

Current assets increased by approximately RMB27.3 million in FY2018 when compared to FY2017. This was primarily due to an increase in trade receivables relating to sales recognised in March 2018 and increase in other receivables. Inventories also increased due to the stocking of direct materials following the Production Resumption and finished goods produced for delivery in April 2018.

Current liabilities increased by approximately RMB37.0 million in FY2018 when compared with FY2017. This was primarily due to the increase in trade payables for the purchase of raw materials following the Production Resumption and increase in other payables.

FY2017 vs FY2016

Current assets decreased by approximately RMB56.6 million in FY2017 when compared to FY2016. This was primarily due to the Factories Closure. As a result of the Factories Closure, there were no production and inventories as of 31 March 2017 became *nil* while trade and other receivables decreased due to lower revenue in the last quarter of FY2017.

Current liabilities decreased by approximately RMB37.7 million in FY2017 when compared with FY2016. This was also primarily due to the Factories Closure, which led to a reduction in the purchase of raw materials and a corresponding decrease in trade and other payables.

2. CONVERTIBLE SECURITIES

(i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, provide the information in Rule 832 of the Listing Manual.

(ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price-fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of "nil-paid" rights commences

Not applicable. The Rights Issue does not involve an issue of convertible securities and will not be underwritten.

3. RESPONSIBILITY STATEMENT BY THE FINANCIAL ADVISER

A statement by the sponsor and each financial adviser in the form set out in Practice Note 12A.

Not applicable. As provided in Appendix 8A of the Catalist Rules, this requirement is not applicable if an issuer has to comply with the offer information statement requirements in the SFA.

To the best of the Directors' knowledge and belief, all the risk factors that are material to prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares.

The risks described below are not intended to be exhaustive. In addition to the risks described below, the Group could be affected by risks relating to the industry and countries in which the Group operates as well as economic, business, market and political risks. In addition, there may be additional risks not presently known to the Group, or that the Group currently deems immaterial, but which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected. In that event, the market price of the Shares and/or the Rights Shares could decline, and investors may lose all or part of their investment in the Shares and/or the Rights Shares. Before deciding to invest in the Rights Shares, you should seek professional advice from your adviser(s) about your particular circumstances.

RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

The Group's business is vulnerable to the general uncertain economic, social and political environment

The Group's business is subject to the general economic conditions in the PRC market that it operates in. Factors such as the demand of the end consumers for the Group's products and the delivery schedule can affect the Group's business operations.

As sweet potato food products are not staple goods, a more cautious consumer spending behaviour may arise during periods of economic downturn, which in turn will affect the overall demand for the Group's products.

Given the uncertainties as to the future economic outlook, the Group cannot give any assurance that they will be able to maintain its existing level of orders for their products or that the Group will be able to react promptly to any changes in economic conditions. In the event that the Group fails to react promptly to changing economic conditions, its performance and profitability could be adversely affected. There is also no assurance that the factors which have contributed to the success of the Group during the past few years will continue in the future. The Group's business performance, future plans and operations will be adversely affected if these conditions deteriorate in the future.

The Group operates in a highly competitive industry

The Group faces keen competition from both producers of sweet potato food products in Liancheng county of Fujian province and snack food producers in other districts of the PRC, who offer similar products. As the sweet potato snack food market is at a stage where there are no established brands, market share can be captured through aggressive price competition strategies. The Group's competitors may be able to offer more competitive pricing which may result in the Group having to reduce prices or make substantial investments in research and development ("**R&D**"), or marketing. This in turn could materially and adversely affect its profitability and financial performance.

In the event that the Group is unable to remain competitive and compete effectively with existing or new competitors in the future, its profitability and operations could also be affected.

The Group is dependent on seasonal consumer demand

The Group is dependent on sales of its sweet potato food products. As sweet potato food products are snack food products, sales rise from September and peak in January to March where the weather is cooler. Sales are lowest from June to August as consumers prefer beverages in the hot summer months. As such, the Group plans its production cycle to meet its peak demand periods. The sales performance of the Group is significantly dependent on its sales volume during its peak seasons. In the event that the length of the peak season is reduced or if the Group fails to effectively drive sales for the peak season, its financial performance and profitability may be adversely affected.

Demand for the Group's products also depends on demographic factors, consumer preferences and trends, as well as factors relating to discretionary consumer spending, including the general condition of the economy, general level of consumer confidence and seasonal factors such as weather and festivities. There is no assurance that consumer demand will not shift to other types of snack food products leading to a decrease in demand for the Group's products, in the event of such decrease, the financial performance, profitability and prospects of the Group will be adversely affected.

The Group may fail to sufficiently develop new products that are demanded by consumers

The Group is dependent on its ability to constantly develop new products to suit the tastes and maintain the interest of consumers. There is no assurance that it will always be able to develop new products that will meet the tastes of consumers and some new products will not receive sufficient demand and fail to capture sufficient market share.

Additionally, the Group's products may also be imitated by competing sweet potato food product producers, or they may pass off their products as the Group's products. If the Group is unable to effectively enforce its intellectual property rights in a timely manner, or to constantly develop new products to maintain its exclusivity, the profitability and financial performance of the Group will be adversely affected.

Unfavourable fluctuations in the prices of or shortages in raw materials will adversely affect the profitability of the Group

Raw materials account for a significant component of the Group's production costs. The raw materials used by production include sweet potatoes, starch, sugar, and glucose.

Prices of raw materials are subject to fluctuations depending on the harvest season, commodity prices, and general market conditions. Should there be any shortage in the supply of, or upsurge in the market demand for, raw materials used by the Group, or any other unforeseen circumstances, it may lead to an increase in the prices of such raw materials. In addition, there is no assurance that the Group will be able to source for alternative suppliers or pass on any increase in the prices of raw materials to consumers. Hence, any increases in raw material costs that cannot be passed onto consumers may adversely affect the Group's business operations, financial performance, and profitability.

The Group is exposed to risks of natural disasters, adverse weather conditions and outbreak of diseases affecting the cultivation of sweet potatoes

Sweet potatoes, the primary raw materials for the Group's products, are purchased from Jinlao Potato or local suppliers. The cultivation of sweet potatoes is vulnerable to the occurrence of natural disasters and adverse weather conditions such as droughts, floods, earthquakes, windstorms and outbreaks of diseases affecting plants. In particular, the Liancheng county of Fujian province has previously experienced instances of snowstorms and flooding. Any such occurrence in or in close proximity to areas where Jinlao Potato or other third party suppliers operate could result in raw material shortages, loss of crops or costly delays in harvesting the crops. The Group may also be unable to fulfil advance orders placed by its customers and its customers may claim against it for any delay in the delivery of their orders.

The Group is vulnerable to food contamination and could face product liability claims which may be costly and result in negative publicity

Whilst the Group adheres to stringent quality control procedures during the entire production process, there is no assurance that its products will be entirely free from defects. Food contamination is a risk inherent in the food production industry. Any production accident, contamination or negligence by the Group's production staff during the production process may result in defects in the Group's products and render them unsafe for human consumption or detrimental to human health. If any of its products is found to be unsafe for human consumption or detrimental to human health, the Group may face product liability claims from consumers arising from injuries, losses or damage suffered by. The PRC authorities may also impose sanctions on the Group including an injunction against selling its products. As at the Latest Practicable Date, the Group has not experienced any such instances of food contamination. However, in the event of food contamination, the operations, profitability, and financial performance of the Group would be adversely affected.

The Group's reputation and brand image may also be adversely affected by negative publicity from the publication of industry findings, research or health concerns in relation to its products, with or without merit. Such negative publicity may decrease consumer demand for its products and adversely affect its financial performance and profitability.

Negative publicity on PRC food products may adversely affect the Group's business and profits

Other companies in the food product industry, in the attempt to achieve higher profits, may not pay sufficient attention to product quality and the safety of food products. Negative publicity over the safety of food products produced in the PRC may generally affect the demand for PRC food products. Any negative publicity on PRC products, whether relating to the Group's business or otherwise, may affect the Group's sales. This in turn may adversely affect the Group's business and profits.

The Group may be affected by labour shortages or any significant increase of labour costs in the PRC

The Group's business is labour intensive and its continued success depends in part on its ability to attract, motivate and retain a sufficient amount of labour, including skilled employees for its R&D, sales, marketing teams, and other operational personnel. Any failure to recruit and retain a

sufficient amount of labour to support the Group's business operations or any material increase in labour turnover rates could have an adverse impact on its business operations and financial performance.

The Group has observed a tightening labour market and rising labour costs in the and expects such tightening to continue in the future. Competition for labour may require the Group to pay high wages to attract and retain sufficient and capable workers. In the event of any substantial increase in labour costs, or the inability to hire sufficient numbers of employees in a timely manner, the Group's profitability and financial performance may be adversely affected.

The Group's labour costs will also be affected by increases in the mandatory minimum wage guidelines prescribed by the local government in the Fujian province, where the Group's production facilities are located. These guidelines are reviewed and promulgated on an annual basis. In the event of an increase in any of the minimum wage requirements, the Group would need to increase the wages of its affected workers and may also need to increase the wages of other workers who are paid above the minimum wage due to higher salary expectations. This will result in an increase in the Group's costs of operations. Consequently, if the Group is not able to pass on such increased labour costs to its customers, its profitability and financial performance could be adversely affected.

Major disruptions at the Group's production facilities will affect its business

The Group's business may be affected by disruptions at its production facilities due to causes such as natural calamities, fire, equipment breakdown, or disruption in the supply of utilities.

The Group had, in FY2017, experienced a closure of two of its factories following the local government general directive to tighten the pollution control requirements. As a result, the Group saw a decrease in its revenue and current assets in FY2017.

For more information, please refer to:

(i) Paragraph 4 of Part 5 "**Operating and Financial Review and Prospects**" of the section entitled "Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018" of this Offer Information Statement; and

(ii) Part 1 "**Working Capital**" of the section entitled "Additional Disclosure Requirements for Rights Issues under Appendix 8A of the Catalist Rules" of this Offer Information Statement.

Further, the occurrence of prolonged power failure or power surges at the Group's production plants may result in damage to its production equipment or facilities or cause a production halt or delay in its production schedule. The local authorities in the Liancheng county, where the Group's factories are located, may take steps to develop the power infrastructure in the region, which could lead to disruptions or restrictions to the supply of power. However, in the event of such disruptions to production facilities, there may be a material adverse impact on the Group's operations, business and financial performance.

The Group may fail to successfully implement its business plans

The growth and future success of the Group is dependent on, among others, the successful completion of business plans proposed to be undertaken by the Group and the sufficiency of

demand for its products. There is no assurance that actual demand for the Group's products after its business plans are completed will be similar to the amount of demand predicted.

Further, the successful implementation of these plans depends on the Group's ability to obtain timely and sufficient funding, and the ability to attract the necessary employees to support its business plans. The execution of its expansion strategy may also place a strain on managerial, operational and financial reserves. The management capabilities of the senior management team may not be able to increase proportionally with the pace of expansion. Should the Group fail to implement its expansion plans or should there be insufficient demand for its products, its business operations, financial performance and prospects may be adversely affected.

The Group is dependent on its key management, in particular, its Executive Chairman and Chief Executive Officer, Liang Chengwang

The Group's success is largely attributable to the expertise and operational experience in the sweet potato food industry possessed by its Executive Chairman and Chief Executive Officer, Liang Chengwang. The continued success of the Group is therefore dependent to a large extent on its ability to retain the services of Liang Chengwang. The loss of Liang Chengwang, without suitable and timely replacement, may therefore adversely affect the Group's business operations, financial performance and future growth of the Group. As at the Latest Practicable Date, the Group does not maintain insurance coverage for the loss of the services of any of its key management personnel and there is no assurance that the Group will be able to retain the services of its key management in the future.

The Group is dependent on its distributors and wholesalers to sell and market its products to the end consumer

As at the Latest Practicable Date, the Group sells mainly to distributors and wholesalers and does not sell its products directly to the end consumer. As the Group has limited control over the behaviour of these distributors and wholesalers it is reliant on these distributors and wholesalers to effectively market and sell its products to the end consumer. If the distributors do not take steps to promote the sales of the Group's products, of if they change their behaviour adversely, the profitability and financial performance of the Group may be adversely affected.

The Group's operations may be affected should it fail to comply with the conditions stipulated in any of its licences, permits or approvals, or, in the event that any of its licenses or approvals is not renewed or extended

The Group is required to obtain the relevant licences, permits and approvals from the PRC authorities to carry on its business, in particular, licenses in relation to food safety. As at the Latest Practicable Date, the Group has obtained all the necessary licences and permits for its business operations in the PRC and has complied with all relevant laws and regulations of the PRC. However, some of these permits and business licences are subject to periodic renewal and reassessment as well as fulfilment of conditions imposed by the relevant governmental authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes.

Non-renewal or revocation of the Group's licences, permits and approvals will have a material adverse effect on the Group's operations as it may not be able to carry on its business without such licences, permits and approvals being granted or renewed. In such an event, its business and financial performance may be adversely affected. In addition, it may be costly for the Group to comply with any subsequent modifications of, additions or new restrictions to, these compliance

standards. Should there be any subsequent modifications of, additions, or new restrictions to the current compliance standards, the Group may incur additional costs to comply with the new or modified standards which may adversely affect their business and financial performance.

The Group may face claims for infringement of third party intellectual property rights or its intellectual property rights may be infringed

The Group has registered several patents. It cannot be certain whether these patents will be sufficient to protect the Group's intellectual property and exclude competitors with similar technology and systems. The intellectual property rights conferred on the Group by these patents could still be eroded by third-party infringement or revocation. In the event that the Group's intellectual property rights are infringed, it may have to incur significant litigation expenses and devote time and effort to enforce its rights. An infringement of the Group's intellectual property rights may adversely affect its operations and financial position.

In addition, certain of the Group's proprietary know-how and technical expertise may not be patentable. Its proprietary know-how and technical expertise are important to its business. There can be no assurance that any of the Group's employees, partners, customers, suppliers, sub-contractors and various other third parties will not use or disclose such proprietary know-how and technical expertise. There is also no assurance that its proprietary know-how and technical expertise will not otherwise become known to others. In the event that its proprietary know-how and technical expertise are replicated by other parties, there can be no assurance that it would be able to detect such misappropriation or that it can enforce any meaningful protection. The Group also cannot be certain that its proprietary know-how and technical expertise may not be independently developed by third parties or that it will be able to prevent the development or commercial application thereof. Any infringement of its intellectual property rights and proprietary know-how and technical expertise may have a material adverse effect on the Group's business.

The Group may also face claims from third parties in respect of the infringement of any intellectual property rights owned by such third parties. There is no assurance that third parties will not assert competing claims to its processes, technologies and systems. In such an event, the Group may need to acquire licences to, or contest the validity of, issued or pending patents or claims of third parties. There can be no assurance that any licence acquired under such patents would be made available to us on acceptable terms, if at all, or that it would prevail in any such contest. In addition, the Group would incur substantial costs and spend substantial amounts of time in defending itself in or contesting suits brought against it for alleged infringement of another party's patent rights. As such, its operations and business may be adversely affected by such civil actions.

Ongoing litigation could result in large costs to the Group

The SGHC has recently, on 29 March 2019, released its written judgment (the "**SGHC Judgement**") in relation to the litigation proceedings brought against the Company by Mr. Cheong Chee Hwa ("**CCH**"), who claimed the sum of S$2,544,696.00 or damages to be assessed, on the basis of certain alleged breaches by the Company under a sale and purchase agreement dated 5 November 2014 previously entered into between, *inter alia*, the Company and CCH in relation to the sale of the CCH's shares in China Star Food Holdings Pte. Ltd. to the Company in connection with the Company's reverse takeover.

In the HC Judgment, CCH's claims against the Company were dismissed by the SGHC. However, CCH has one (1) month from the date of the SGHC Judgement to appeal the decision to the SGCA, that is, by 29 April 2019.

For more information, please refer to paragraphs 9(c) and (f) of Part 4 "**Key Information**" of the section entitled "Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018" of this Offer Information Statement.

The Group's financial condition, profitability and financial performance of the Group may be adversely affected should CCH decide to appeal the decision in the SGHC Judgment to the SGCA and succeed in winning such appeal.

RISKS RELATING TO OPERATIONS IN THE PRC

The Group's operations could be adversely affected by changes in the political, economic and regulatory environment in the PRC

Since 1978, the PRC government has implemented various reforms in its economic systems. Such reforms have resulted in economic growth for the PRC in the last two decades. However, many of the reforms are unprecedented or experimental and are expected to be refined and modified from time to time. Other political, economic and social factors may also lead to further readjustment of the reform measures. This refinement and readjustment process may consequently have a material impact on the operations of the Group in the PRC or a material adverse impact on its financial performance. The Group's business and operations may be adversely affected by changes in the PRC's political, economic and social conditions and by changes in policies of the PRC government or changes in laws, regulations or the interpretation or implementation thereof.

Introduction of new laws or changes to existing laws by the PRC government may adversely affect the business of the Group

The PRC government is still in the process of developing a comprehensive set of laws and regulations in the course of the PRC's transformation from a centrally planned economy to a more free and market-oriented economy. As the legal system of the PRC is still in flux, the PRC's laws and regulations may be subject to change. Furthermore, any changes in the political and economic politics of the PRC government may lead to similar changes in the laws and regulations and/or their interpretation. Such changes may affect the business and prospects of foreign companies (such as the Group) with operations and business in the PRC.

Currently, the PRC legal system is a codified legal system comprising written laws, regulations and directives. Judicial interpretation also forms a source of law. At the same time, internal guidelines of the PRC governmental authorities may have an impact on the enforcement of the law. Unlike common law jurisdictions like Singapore and the United Kingdom, decided cases do not have binding effect on subsequent cases. The number of judicial decisions on the implementation, interpretation and enforcement of the laws and regulations, and of commercial contracts, undertakings and commitments entered into are relatively limited. The enforcement of laws and regulations of the PRC may therefore be subject to a certain degree of discretion by the authorities. The outcome of dispute resolution may not have the level of consistency or predictability as in other countries with more developed legal systems. While significant progress has been made in the legal system of the PRC, the enforcement of existing laws and regulations may be uncertain or inconsistent and the interpretation of these laws and regulations may change from time to time. Hence, should the Group be involved in any legal disputes, it may face difficulties in obtaining legal redress and/or in enforcing its legal rights.

Further, the PRC is still in the process of developing its legal system to meet the needs of investors and to encourage foreign investment. As the PRC economy is generally undergoing

development at a much faster pace than its legal system, some degree of uncertainty, in connection with whether and how existing laws and regulations will apply to certain events or circumstances will exist. From time to time, changes in the laws and regulations or in the manner of their implementation may require the Group to obtain additional approvals and licences from the PRC authorities for the conduct of its operations in the PRC. This might result in increased costs in order to comply with such requirements, which would in turn have an impact on its financial performance. Furthermore, there can be no assurance that such licences or approvals would be granted promptly or at all. Should the Group encounter difficulties in or delays in obtaining the requisite approvals and licences, its operations in the PRC and the overall financial performance of the Group will be adversely affected.

The Group is required to comply with applicable PRC laws, policies and other regulations concerning labour, social insurance and housing fund

The Group is required to comply with applicable PRC labour, social insurance and housing fund laws, policies and regulations. In the PRC, employers entering into a labour contract relationship with its workers shall perform the duties stipulated under the relevant laws and regulations, including the execution of contracts with employees, prompt payment of salaries, and in particular, contribution to the employees' social insurance and housing fund. Any failure by the Group in complying with the applicable labour, social insurance and housing fund laws may subject it to penalties and liabilities under PRC laws, policies and regulations, including but not limited to the issuance of warnings and imposition of fines.

The relevant local authorities may require the Group to make up any shortfall in payment of social insurance or housing fund based on the actual salary of employees, or pay any penalties. Employees may also commence legal action for the Group to make up any shortfall in payment of social insurance or housing fund based on their actual salary. Any such requirement to make further payment would adversely affect the business and financial performance of the Group.

There can be no assurance that existing laws, policies and regulations in relation to, *inter alia*, labour, social insurance and housing fund will not be amended in the future. Stricter laws, policies and regulations, or more stringent implementation and/or interpretation of existing laws, policies and regulations, in relation to labour, social insurance and housing fund may impose additional compliance requirements on the Group, such as the payment of higher social insurance and housing fund. Any failure by the Group to comply with the changes to the PRC laws, policies and regulations could result in the imposition of fines and penalties, delays in production or increased labour costs, which may adversely affect its business and operations.

PRC foreign exchange control may limit the ability of the Group to utilise its revenue effectively and affect the Group's ability to receive dividends and other payments from the its subsidiaries

Fujian Zixin (福建紫心生物薯业有限公司) is subject to PRC rules and regulations on currency conversion. In the PRC, the State Administration of Foreign Exchange (国家外汇管理局) ("**SAFE**") regulates the conversion of the RMB into foreign currencies. Currently, foreign invested enterprises ("**FIEs**") are required to register with SAFE for relevant foreign exchange affairs. SAFE will issue separate foreign exchange registration forms (外汇业务登记凭证) for each registered affair. With such registration, FIEs are allowed to open foreign currency accounts including the "current account" and "capital account". Currently, conversion within the scope of the "current account" (including remittance of foreign currencies for payment of dividends) can be effected without requiring the approval of SAFE. However, the use of RMB converted from foreign

exchange in the "capital account" (including conversion of currency for capital items such as direct investments, loans and securities) requires FIEs to submit supporting documents for fund use.

The applicable law in respect of conversion of RMB into other currencies is the Regulation of the PRC on Foreign Exchange Administration (中华人民共和国外汇管理条例) ("**Exchange Control Regulation**") which came into effect on 1 April 1996 and amended as of 14 January 1997 and further amended as of 1 August 2008. Under the Exchange Control Regulation:

(i) Conversion of RMB into foreign currencies for the use of recurring items, including the distribution of dividends and profits to foreign investors of FIEs is permissible and the approval of SAFE is not required, and FIEs are permitted to remit foreign currencies from their foreign currency bank accounts in the PRC upon presentation to the banks of board resolutions which authorise the distribution of profits or dividends and subject to other requirements being satisfied.

(ii) However, conversion of RMB into foreign currencies for capital items, such as repatriation of capital, repayment of loans and for securities investment, is still under control and needs the approval of SAFE. However, there is no assurance that PRC regulatory authorities will not impose further restrictions on the convertibility of the RMB. As revenue derived from the Group's subsidiaries is denominated in RMB, any future restriction on currency exchanges may limit the ability of the Group's subsidiaries to repatriate profits to the Company in the form of dividend income or otherwise.

As foreign exchange controls are highly regulated in the PRC, the current laws could be changed at any time by executive decisions of the State Council. Furthermore, SAFE has a significant degree of administrative discretion and authority to promulgate specific administrative rules in implementing the laws.

In addition, on 4 July 2014, the SAFE issued a Circular on the Relevant Issues of Offshore Investment and Financing through Special Purpose Vehicle by Domestic Residents and Round Trip Investment (关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知) ("**Circular 37**"), pursuant to which, a special purpose vehicle ("**SPV**") is an offshore enterprise directly established by or indirectly controlled by a domestic resident, including a domestic entity and a domestic individual (collectively, "**Domestic Resident**") through any domestic enterprise's assets, rights or interests, or through any overseas assets, rights or interests legally held by such Domestic Resident for the purpose of investing or financing. The establishment of SPV is subject to registration with the SAFE. A Domestic Resident shall complete such registration first before proceeding with other foreign exchange matters. Circular 37 requires the Domestic Resident to update such registration in a timely manner upon occurrence of such basic information change as shareholder, name and operation period of the SPV or such significant information change as capital increase or decrease of Domestic Resident, share transfer or swap, merger or spin-off etc.

Circular 37 also requires that the repatriation of financed capital to the PRC shall be subject to the relevant regulations of foreign investment and foreign debt etc of the PRC. The foreign funded enterprise in the PRC through round trip investment shall be subject to foreign exchange registration formalities in accordance with foreign exchange administration in respect of foreign direct investment regulations.

Circular 37 also allows a Domestic Resident to make up such registration (补登记) if the Domestic Resident fails to complete the registration before the round trip investment. Liang Chengwang is considered as a PRC Domestic Resident that shall be subject to the Circular 37. He has completed the foreign exchange registration of his offshore investment in the Company with Fujian Provincial Branch of SAFE on 14 January 2015 in compliance with the requirements of Circular 37.

However, there is no assurance that SAFE or other PRC regulatory authorities will not continue to issue new rules and regulations and further clarification or interpretations of Circular 37 which will strengthen or put more restriction on the foreign exchange control. As all revenue of the Group is derived from its subsidiaries and the revenue is mainly denominated in RMB, any future restriction on currency exchanges may limit the ability of its subsidiaries to repatriate such revenue to the Group in the form of dividend income or otherwise.

Any changes in the Singapore-PRC Double Taxation Agreement with respect to an increase in the dividend withholding tax rate may affect the dividends payable to the Company

Pursuant to the Avoidance of Double Taxation Agreement between Singapore and the PRC dated 11 July 2007 and its Third Protocol dated 23 July 2010, the dividend withholding tax rate shall not exceed 5% of the total dividends declared if the beneficial owner of the dividends is a company that holds at least 25% of the share capital of the company paying the dividend. Given that the Company owns 100% of the share capital of Fujian Zixin (福建紫心生物薯业有限公司), the applicable dividend withholding tax to the Company is 5%. However, there is no assurance that the PRC government and the Singapore government will not further amend the double taxation agreement. In the event that such dividend withholding tax rate increases, it may affect the amount of dividends paid out by Fujian Zixin (福建紫心生物薯业有限公司), and therefore, the Group's financial performance may be adversely affected.

The outbreak, or threatened outbreak, of any severe communicable disease in the PRC may materially and adversely affect the Group's business and the results of its operations

The outbreak, or threatened outbreak, of any severe communicable disease (such as severe acute respiratory syndrome, avian influenza or H1N1 influenza) in the PRC will materially and adversely affect overall business sentiment and prospects in the PRC, particularly if such outbreaks are inadequately controlled. This in turn will materially and adversely affect domestic consumption, labour supply and, possibly, the overall GDP growth of the PRC. The Group's revenue is currently derived mainly from its PRC operations and any labour shortages or slowdown in the growth of domestic consumption in the PRC will materially and adversely affect the Group's business and results of its operations. In addition, if significant numbers of the Group's employees are affected by any severe communicable disease, such occurrence will adversely affect or disrupt the Group's operations, as the Group may be required to close its facilities to prevent the spread of the disease. The spread of any severe communicable disease in the PRC may also affect the operations of the Group's customers and suppliers, which will materially and adversely affect the Group's business and results of its operations.

The Group is subject to environmental laws and regulations in the PRC

The Group is subject to various PRC environmental laws and regulations in the areas in which it operates including laws regulating the emission and discharge of waste materials into soil, air or water. The Group is required to implement environmental protection systems and procedures simultaneously with the commencement of and operation of construction, production and other activities undertaken by the Group. Construction project owners are required to complete an environmental impact appraisal (环境影响评估) before commencing construction, and to complete an environmental protection acceptance (项目环保验收) upon completion of construction. In addition, the Group is required to report and register the discharge of any pollutants to the Administration Supervisory Department of Environmental Protection and pay fines for such discharge.

There is no assurance that the Group will at all times be in compliance with the applicable laws or regulations in relation to environmental protection. If the Group fails to comply with such laws or regulations, it could be subject to fines or sanctions from the PRC authorities. This could adversely affect the Group's reputation, business operations and financial performance. In addition, there is no assurance that more stringent environmental laws and regulations will not be imposed in the future, and the Group may incur additional compliance costs.

The Group is exposed to risks relating to Collectively Owned Land held by farming households

The Group had renewed a lease of approximately 2,000 Mu (亩) of Collectively Owned Land from villages for the purposes of cultivating sweet potatoes. Pursuant to land circulation assignment contracts, the Group has assigned these leases to Jinlao Potato.

The procedures and practices of issuing title certificates for Collectively Owned Land are unclear. Although PRC authorities have issued legal directives and rules to regulate the process of issuing Collectively Owned Land Title Certificates (集体土地所有证) to evidence their ownership, few areas in the PRC have properly implemented these processes due to difficulties in identifying the proper owners of the land.

As at the Latest Practicable Date, due to the difficulties described above, the Group has not sighted the requisite title certificates evidencing the lessors' title to the Collectively Owned Land leased. As such, there is a possibility that title to the Collectively Owned Land may be challenged, if it is shown that the lessors do not have legal title to the Collectively Owned Land, the validity and enforceability of the leases, and subsequently, the land circulation assignment agreements, would be adversely affected. As the Group has assigned these leases to Jinlao Potato, who cultivates sweet potatoes on the leased land using improved varieties of sweet potato slips provided by the Group, and sells these sweet potatoes exclusively to the Group, any challenge to the leases would affect the Group's supply of sweet potatoes and in turn affect the business operations and financial performance of the Group.

There is no assurance that Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司) will continue to enjoy a value added tax or enterprise income tax exemption

As at the Latest Practicable Date, pursuant to Article 15 of the Interim Rules of Value Added Tax of the PRC (中华人民共和国增值税暂时规定), agricultural producers engaging in the sale of their own agriculture products are exempted from value added tax. One of the Group's subsidiaries, Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司), has obtained an exemption confirmation letter from the Liancheng State Tax Bureau (连城国家税务局) that sweet potatoes planted by Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司) are exempt from value added tax.

As at the Latest Practicable Date, pursuant to Article 27 of the PRC Enterprise Income Tax Law and Article 86 of the Implementing Rules of the PRC Enterprise Income Tax Law, one of the Group's subsidiaries, Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司), has obtained an exemption confirmation letter from the Liancheng State Tax Bureau (连城国家税务局) that sweet potatoes planted by Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司) are exempt from income tax.

There is no assurance that there will be no further changes to the laws and regulations in relation to value added tax or enterprise income tax which may result in the removal, loss, suspension or reduction of these exemptions. Any such removal, loss, suspension or reduction would in turn adversely affect the Group's financial performance and profitability.

Intra-group transactions between the Group's subsidiaries may be subject to transfer pricing risks

Since March 2014, Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司) began deriving profit from the sale of sweet potatoes to Fujian Zixin (福建紫心生物薯业有限公司). Pursuant to the relevant PRC regulations, Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司) is exempted from corporate income tax and value added tax for the sale of agricultural produce, i.e. sweet potatoes.

Potential transfer pricing risks arise when intra-group transactions with (i) related parties located in different tax jurisdictions or with (ii) related parties which enjoy favourable tax treatment (for example, due to tax incentives) are not conducted on an arm's length basis and result in the shifting of profit to the related party that is subject to a lower tax rate. In the event that the arm's length principle of such intra-group transactions is challenged by the relevant tax authorities, the relevant tax authorities may adjust and tax the income of the relevant party at its discretion. As the burden of proof to show a transaction is entered on an arm's length basis rests with taxpayers, proper supporting documentation is necessary to satisfy the authorities that the transactions are conducted on an arm's length basis.

As at the Latest Practicable Date, Fujian Zixin (福建紫心生物薯业有限公司) and Liancheng Dizhongbao (连城县地中宝现代农业发展有限公司) have not experienced any incidents of non-compliance with the relevant PRC tax regulations. However, there is no assurance that, in the event of a query from the relevant PRC tax authorities, the Group would able to produce sufficient documentation to satisfy the authorities that these intra-group transactions are conducted on an arm's length basis and the Group may be subject to a transfer pricing adjustment at the discretion of the relevant PRC tax authorities. A transfer pricing adjustment could, among other things, result in an increase in the tax expenses and liabilities of the Group, adversely affecting the Group's profitability and financial position.

As the Group's subsidiaries, operations and significant assets are located in the PRC, Shareholders may not be accorded the same rights and protection that would be accorded under the Companies Act, and may face difficulties in enforcing a judgment by Singapore courts against the Group, its directors and its officers

The Group's principal operating subsidiaries and operations are located in the PRC. These subsidiaries are subject to the applicable laws and regulations in the PRC which may not correspond to provisions in the Companies Act for the protection of Shareholders. As such, Shareholders may or may not be accorded with the same level of rights and protections that would be accorded by the Companies Act in relation to a Singapore incorporated company.

Further, certain members of the Board, namely Liang Chengwang, Chen Hua Jing and He Jing are non-residents of Singapore, and substantially all their assets are located outside Singapore. As such, it could be difficult for Shareholders who wish to make a claim against the Company or the abovementioned members of the Board to effect service of process in Singapore, or to enforce a judgment obtained in Singapore against the Company, its subsidiaries or the abovementioned directors.

The Company may be ultimately responsible for the contribution of the outstanding capital of Fujian Zixin (福建紫心生物薯业有限公司) and Fujian Xingpai (福建星派食品有限公司) as well as the payment of any fines imposed for the non-payment of such registered capital

The total registered capital of Fujian Zixin (福建紫心生物薯业有限公司) is RMB80,000,000. As at the Latest Practicable Date, the total paid up capital contributed is approximately RMB37,300,000. The remaining unpaid share capital of approximately RMB42,700,000 is to be contributed in full by 10 June 2024.

The total registered capital of Fujian Xingpai (福建星派食品有限公司) is RMB10,000,000. As at the Latest Practicable Date, there has been no capital contributed to Fujian Xingpai (福建星派食品有限公司). The registered capital of RMB10,000,000 is required to be contributed in full by Fujian Zixin (福建星派食品有限公司) before 28 October 2019.

In the event that the required amounts of registered capital of Fujian Zixin (福建紫心生物薯业有限公司) and Fujian Xingpai (福建星派食品有限公司) is not contributed in full at its respective due dates, a fine in the range of 5.0% to 15.0% of the outstanding amount of registered capital may be imposed by the competent administration for industry and commerce on the Company or Fujian Zixin (福建紫心生物薯业有限公司), respectively. The maximum liabilities resulting from such fines could amount to an equivalent of RMB7.9 million as at the Latest Practicable Date. In the event that such fines are imposed, the financial condition, profitability and financial performance of the Group may be adversely affected.

The Company may be held liable for unauthorised actions by the legal representatives of its subsidiaries in the PRC

Under the laws and regulations of the PRC, the Group's subsidiaries in the PRC are required to appoint a legal representative (法定代表人) who has powers to represent, exercise rights on behalf of, and enter into binding obligations on behalf of, the respective subsidiary. In the event that these legal representatives of the Group perform any unauthorised actions in contravention of the law and/or the Group's contractual obligations purportedly on behalf of the relevant subsidiary, there is a risk that the Company may be held liable for such acts. In the event that any of the legal representatives incur liability on behalf of the Group without authorisation, the business, financial condition, results of operations, prospects, profitability and financial performance of the Group may be materially and adversely affected.

RISKS RELATING TO THE OWNERSHIP OF THE SHARES

Investments in shares quoted on the Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

The Catalist is a listing platform designed primarily for fast-growing and emerging or smaller companies, to which a higher investment risk tends to be attached, as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on the Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of the Shares cannot be guaranteed.

The Company's Share price may be volatile

The market price for the Shares may be highly volatile and can fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond the Group's control, namely:

(a) variations in the Group's operating results

(b) success or failure of the Company's management team in implementing business and growth strategies;

(c) gain or loss of an important business relationship or contract;

(d) additions or departures of key personnel;

(e) changes in securities analysts' recommendations, perceptions or estimates of the Group's financial performance;

(f) changes in the share prices of companies with similar business to the Group that are listed in Singapore, or elsewhere;

(g) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;

(h) changes in governmental regulations;

(i) changes in accounting policies;

(j) fluctuations in stock market prices and volume;

(k) involvement in litigation;

(l) negative publicity involving the Group or any Director or executive officer of the Group; and

(m) general economic, stock and credit market conditions.

Liquidity of the Shares

Active and liquid trading for securities generally result in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, amongst others, the size of the free float, the price of each board lot, institutional interests, and the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on the Catalist may not change or decline after the Rights Issue.

There is a high probability that the Group's Share price will fluctuate widely and may adversely affect your investment

The Group expects trading of the Shares to be volatile and trading of the Shares may respond to announcements relating to technological or competitive developments, mergers or acquisitions by the Group or their competitors, gain or loss of major customers, or estimates of the Group's financial performance by investment analysts.

An active trading market in the "nil-paid" Rights may not develop

There is no certainty that an active trading market for the "nil-paid" rights on the Catalist will develop during the Rights Trading Period. Even if an active market develops, the trading price of the "nil-paid" rights, which depends on the trading price of the Shares, may be volatile.

Future sale of Shares could adversely affect the Share price

Any future sale or availability of Shares can have a downward pressure on the Group's Share price. The sale of a significant amount of Shares in the public market after the Rights Issue, or the perception that such sales may occur, could materially and adversely affect the market price of the Shares. These factors will also weaken the Group's ability to sell additional equity securities.

In the event a Shareholder is unable or unwilling to participate in certain additional fund-raising exercises, he may suffer potential dilution in his investment

The Group's working capital requirements, financing plans and capital expenditure needs may vary from those presently expected. If the Group does not meet its goals with respect to revenues, or if costs are higher than anticipated or if there are changes to its current financing plans, substantial additional funds may be required. To the extent that funds generated from operations have been exhausted, the Group may have to raise additional funds to meet new financial requirements. These additional funds may be raised by way of a placement or by further rights offering (which would be subject to Shareholders' approval if necessary) or through the issuance of new Shares.

In such events, if any Shareholder is unable or unwilling to participate in such fund raising, such Shareholder may suffer a dilution in his investment.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

1.1. Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SFG Service.

1.2. The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by the CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for (i) the acceptance of and payment for the provisional allotments of Rights Shares and (ii) application of and payment for Excess Rights Shares are set out in this Offer Information Statement as well as the ARE.

SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts. SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. SRS Investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. SRS Investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly to CDP, the Share Registrar, the Company and/or by way of an Electronic Application at any ATM of a Participating Bank will be rejected. For the avoidance of doubt, monies in SRS accounts may not be used for the purchase of provisional allotments of the Rights Shares directly from the market.

1.3. If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, the CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) Excess Application(s) if the ARE is not accurately completed and signed or if the "**Free Balance**" of the relevant Entitled Depositor's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the Excess Application is in breach of the terms of the ARE or this Offer Information Statement, at the CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with the CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through the CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH THE CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.

Where an acceptance, application, and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the PAL, ARE, the ARS, and/or any other application form for the Right Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the PAL, ARE, the ARS, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or the CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and the CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

1.4. Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their Renouncees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1. Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix C of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR THE CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR THE CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2. Acceptance/Application through the CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the CDP, he must:

(a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and

(b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:

(i) by hand to **CHINA STAR FOOD GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or

(ii) by post, **AT THE SENDER'S OWN RISK,** in the self-addressed envelope provided, to **CHINA STAR FOOD GROUP C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147,**

in each case so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – CHINA STAR FOOD RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3. **Acceptance through the SGX-SFG Service (for Depository Agents only)**

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SFG service provided by the CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. The CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed and submitted to the CDP.

2.4. **Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix B which sets out the circumstances and manner in which the Company and the CDP shall be authorised and entitled to determine and appropriate all amounts received by the CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5. **Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares**

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

(a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to the CDP; or

(b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6. **Sale of Provisional Allotments of Rights Shares**

The ARE need not be forwarded to the Purchasers as arrangements will be made by the CDP for separate ARS to be issued to the Purchasers. Purchasers should note that the CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of the CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from the CDP or the Share Registrar, for the period up to **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the "nil-paid" Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. Purchasers may obtain a copy from the CDP. Alternatively, Purchasers may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7. **Renunciation of Provisional Allotments of Rights Shares**

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with the CDP (including any accompanying documents as may be required by the CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such

renunciation shall be made in accordance with the "**Terms and Conditions for Operations of Securities Accounts with CDP**", as the same may be amended from time to time, copies of which are available from the CDP. As the CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the Renouncee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of the CDP and for the Renouncee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the Renouncee is **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or the CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or the CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or the CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or the CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S$0.015)

As an illustration, if an Entitled Depositor has 2,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 2,000 Rights Shares as set out in his ARE, on the basis of one (1) Rights Share for every one (1) existing ordinary shares of the Company at an Issue Price of S$0.015. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives	Procedures to be taken
(a) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for Excess Rights Shares.	(1) **By way of Electronic Application.** Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

Alternatives	Procedures to be taken
	(2) **Through the CDP.** Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 2,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S$30.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – CHINA STAR FOOD RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE**, **A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **CHINA STAR FOOD GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **CHINA STAR FOOD GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
(b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.	(1) **By way of Electronic Application.** Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

Alternatives	Procedures to be taken
	(2) **Through the CDP.** Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE, together with a single remittance for S$15.00, in the prescribed manner described in alternative (a)(2) above, to the CDP, so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.
(c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, and reject the balance.	(1) **By way of Electronic Application.** Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or (2) **Through the CDP.** Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 1,000 Rights Shares and forward the original signed ARE together with a single remittance for S$15.00, in the prescribed manner described in alternative (a)(2) above, to the CDP, so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Alternatives	Procedures to be taken
	The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 14 May 2019** or if an acceptance is not made through the CDP by **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1. Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

(a) 9.30 P.M. ON 14 MAY 2019 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; AND

(b) 5.00 P.M. ON 14 MAY 2019 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH THE CDP OR SGX-SFG SERVICE.

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the PAL, ARE, or the ARS (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through the CDP by **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy Excess Applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by the CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of the CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

5.2. **Appropriation**

Without prejudice to paragraph 1.3 of this Appendix B, an Entitled Depositor should note that:

(a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Rights Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by the CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by the CDP, the Company and the CDP shall be authorised and entitled to determine and appropriate all amounts received by the CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and the CDP shall be conclusive and binding;

(b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through the CDP, he would have irrevocably authorised the Company and the CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS, and/or any other application form for Rights Shares in relation to the Rights Issue made through the CDP; and

(c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or the CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or the CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or the CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or the CDP may, in their/its absolute discretion, deem fit.

5.3. **Availability of Excess Rights Shares**

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective Renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not

allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **THE CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE**. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotments or issuance of Rights Shares that will result in a transfer of Controlling Interest in the Company unless otherwise approved by Shareholders in a general meeting. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencement of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and the CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of the CDP or in such other manner as they may have agreed with the CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through the CDP).

5.4. **Deadlines**

It should be particularly noted that unless:

(a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

(b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – CHINA STAR FOOD RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case

may be) clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft is submitted by hand to **CHINA STAR FOOD GROUP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **CHINA STAR FOOD GROUP C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

(c) acceptance is made by a Depository Agent via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Shares is effected by **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of the CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5. **Certificates**

The certificates for the Rights Shares and (if applicable) Excess Rights Shares will be registered in the name of the CDP or its nominee. Upon the crediting of the Rights Shares and (if applicable) Excess Rights Shares, the CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and (if applicable) Excess Rights Shares credited to your Securities Account.

5.6. **General**

For reasons of confidentiality, the CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535 7511 using your telephone pin ("**T-Pin**"). Alternatively, you may proceed personally to the CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or the CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions

contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither the CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at the CDP's premises or submitted by hand at the CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535 7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535 7511
2. Press '1' for English; Press '2' Mandarin
3. Press '1' for 'All CDP account related queries'
4. Press '3' for 'Corporate Actions Announcement and Transactions'
5. Press '2' for your rights application status
6. Enter your 12 digit CDP securities account number
7. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of the CDP, and **AT YOUR OWN RISK**.

5.7. **Personal Data Privacy**

By completing and delivering an ARE or an ARS and in the case of an Electronic Application through an ATM of a Participating Bank, by pressing the "**Enter**" or "**OK**" or "**Confirm**" or "**Yes**" key on the ATM, an Entitled Depositor (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, the CDP, the SGX-ST and the Company (the "**Relevant Persons**") for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for Excess Rights Shares, and in order for the Relevant Person to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX C – PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

1.1. Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

1.2. Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

PAL incorporating:

Form of Acceptance	**Form A**
Request for Splitting	**Form B**
Form of Renunciation	**Form C**
Form of Nomination	**Form D**
Excess Rights Shares Application Form	**Form E**

1.3. The provisional allotment of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, the PAL, and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, to be disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue.

1.4. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.

1.5. With regard to any acceptance and/or application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, ARE, and the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the PAL, ARE, and the ARS, and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or Share Registrar may, at its absolute discretion, reject or treat as invalid any such application, payment and/or other process of remittances at any time after receipt in such manner as it may deem fit.

1.6. The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a Renouncee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or Renouncee. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

1.7. **THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.**

1.8. **Entitled Scripholders who intend to trade any part of their provisional allotment of Rights Shares on the Catalist should note that all dealings in and transactions of the provisional allotments of Rights Shares through the Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the Catalist.**

1.9. Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the PAL has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained in the PAL, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1. Acceptance

An Entitled Scripholder, who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance, should:

(a) complete the Form of Acceptance (Form A) for the number of Rights Shares which he wishes to accept; and

(b) forward the PAL in its entirety, duly completed and signed, together with the remittance for the full amount due and payable on acceptance in the manner hereinafter prescribed to **CHINA STAR FOOD GROUP LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2. Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder; the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix C which sets out the circumstances and manner in which the Company and the Share Registrar shall be entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3. **Appropriation**

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore.

3. REQUEST FOR SPLITTING (FORM B) AND FORM OF RENUNCIATION (FORM C)

3.1. Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs (the "**Split Letters**") according to their requirements. The duly completed Form B together with the PAL in its entirety should then be returned to **CHINA STAR FOOD GROUP LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623,** not later than **5.00 p.m. on 8 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 8 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Company reserves the right to reject any request for Split Letters if, in the opinion of the Directors, the number of Rights Shares requested for in the Split Letters are in unreasonable denominations. The surrender of the PAL purported to be signed by an Entitled Scripholder shall be conclusive evidence in favour of the Company, the Share Registrar and any other person involved in the Rights Issue of the title of the person(s) lodging it, or on whose behalf it is lodged, to deal with the same and to receive Split Letter(s) and to have credited to that person's Securities Account with the CDP the Rights Shares allotted to him or, if relevant, to receive physical share certificate(s) and/or to receive any statement from the CDP and/or refund of acceptance or application monies. Instructions relating to acceptance, payment, renunciation, nomination and consolidation set out in the PAL shall apply to Split Letters received consequent upon the original provisional allotment of Rights Shares being split.

3.2. The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce may be renounced by completing the Form for Renunciation (Form C) before delivery to the Renouncee(s). Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment (if required) in the prescribed manner should be forwarded to **CHINA STAR FOOD GROUP LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3.3. Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the Renouncee(s).

The surrender of the PAL purported to be signed by an Entitled Scripholder shall be conclusive evidence in favour of the Company, the Share Registrar and any other person involved in the Rights Issue of the title of the Renouncee to deal with it and (if applicable) to receive Split Letters and to have credited to the Renouncee's Securities Account with the CDP the Rights Shares renounced to him or, if relevant, to receive physical share certificate(s) for the Rights Shares and/or to receive any statement from the CDP and/or return or refund of surplus acceptance monies.

4. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

4.1 Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A (Form of Acceptance) and the Consolidated Listing Form in Form D (Form of Nomination) of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them.

4.2 A Renouncee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D (Form of Nomination) of only one PAL or Split Letter (the "**Principal PAL**") by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them.

4.3 **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

4.4 Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, are to reach **CHINA STAR FOOD GROUP LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

5. PAYMENT

5.1. Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CHINA STAR FOOD RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the remittance. The completed and signed PAL and remittance should be forwarded by post in the self-addressed envelope provided at the sender's own risk to **CHINA STAR FOOD GROUP LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES**

PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623 so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

5.2. If acceptance and payment in the prescribed manner as set out in the PAL is not received by **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and such provisional allotments not so accepted will be used to satisfy Excess Applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith by **ORDINARY POST and at the risk of the Entitled Scripholders or their Renouncee(s)**, as the case may be, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date.

6. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

6.1. Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out in paragraph 5 above, by post in the self-addressed envelope provided **AT THEIR OWN RISK**, to **CHINA STAR FOOD GROUP LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD. AT 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

FORM E IS NOT TRANSFERABLE AND MAY ONLY BE USED BY THE ENTITLED SCRIPHOLDERS NAMED THEREIN.

6.2. The Excess Rights Shares available for application are subject to the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective Renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares, together with the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Constitution of the Company.

6.3. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will not make any allotment and issue of Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. The Company reserves the right to refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason whatsoever.

6.4. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar **at their own risk**.

7. GENERAL

7.1. No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

7.2. **Entitled Scripholders or Renouncees (as the case may be) who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

7.3. Upon listing and quotation on the Catalist, the Rights Shares, when issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the Catalist and/or the CDP shall be made in accordance with the "**Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited**", as the same may be amended from time to time. Copies of the above are available from the CDP.

7.4. **To facilitate scripless trading, Entitled Scripholders and their Renouncees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the Catalist under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with the CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them can be credited by the CDP into their Securities Accounts. Entitled Scripholders and their Renouncees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("NRIC")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their Renouncees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or**

who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with the CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will be forwarded to such person(s) entitled thereto by ordinary post at their own risk, but will not be valid for delivery pursuant to trades done on the Catalist under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

7.5. If the Entitled Scripholders' addresses stated in the PAL are different from their addresses registered with the CDP, they must inform the CDP of their updated addresses promptly, failing which the notification letters, on successful allotment will be sent to their addresses last registered with the CDP.

7.6. A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with the CDP but who wishes to trade on the Catalist, must deposit with the CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of the CDP (including any applicable fees), and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

7.7. **THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5.00 P.M. ON 14 May 2019 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

7.8. **Personal Data Privacy**

By completing and delivering the PAL, an Entitled Scripholder (i) consents to the collection, use and disclosure of his personal data by the Share Registrar, the CDP, the SGX-ST, and the Company (the "**Relevant Persons**") for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for Excess Rights Shares, and in order for the Relevant Person to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX D – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the "**Steps**").

Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one (1) Participating Bank cannot be used to accept Rights Shares and (if applicable) apply for Excess Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the "**Applicant**" in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his Renouncee or the Purchaser of the provisional allotment who accepts or (as the case may be) who applies for the Rights Shares through an ATM of a Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the "**Transaction Record**"), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) Excess Application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

1. In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:

   (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and

   (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, SRS account number and application details (the "**Relevant Particulars**") from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, the CDP, the SGX-ST and the Company (the "**Relevant Parties**").

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the "**Enter**" or "**OK**" or "**Confirm**" or "**Yes**" key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the "**Enter**" or "**OK**" or "**Confirm**" or "**Yes**" key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19, of Singapore to the disclosure by that Participating Bank of the Relevant Particulars of his account with that Participating Bank to the Relevant Parties.

2. An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank.

3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares standing to the credit of the "**Free Balance**" of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of Excess Rights Shares or not to allot any number of Excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final and binding.

4. If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "**Enter**" or "**OK**" or "**Confirm**" or "**Yes**" key, as the case may be, on the ATM) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied for that may be allotted to him.

5. In the event that the Applicant accepts the Rights Shares by way of the ARE and/or the ARS (as the case may be) and/or by way of acceptance through the Electronic Application through an ATM of a Participating Bank, the Company and/or the CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or the CDP may, in their/its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank. The Company and/or the CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS, or by way of the acceptance through Electronic Application through an ATM of a Participating Bank.

6. If applicable, in the event that the Applicant applies for Excess Rights Shares by way of ARE and by Electronic Application through an ATM of a Participating Bank, the Company and/or the CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as the Company and/or the CDP may, in their/its absolute

discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of ARE and by way of application through Electronic Application through an ATM of a Participating Bank. The Company and/or the CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE, or by way of application through Electronic Application through an ATM of a Participating Bank.

7. The Applicant irrevocably requests and authorises the Company to:

   (a) register or to procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Applicant in the name of the CDP for deposit into his Securities Account;

   (b) return (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and

   (c) return (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.

8. **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS A NOMINEE OF ANY OTHER PERSON.**

9. The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of the CDP, the Participating Banks, the Company, and/or the Share Registrar) and any events whatsoever beyond the control of the CDP, the Participating Banks, the Company and/or the Share Registrar, and if, in any such event, the CDP, the Participating Banks, the Company and/or the Share Registrar do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 14 May 2019**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against the CDP, the Participating Banks, the Company, and/or the Share Registrar for any purported acceptance thereof and (if applicable) Excess Application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.

10. **Electronic Applications may only be made through ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**

11. **Electronic Applications shall close at 9.30 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

12. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.

13. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.

14. Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.

15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 14 May 2019** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:

    (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document referred to in Section 241 of the SFA is lodged with the Authority);

    (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;

    (c) none of the Company, the CDP, the Participating Banks, nor the Share Registrar shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or the CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;

    (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) acceptance of his application for Excess Rights Shares;

(e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and

(f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

16. The Applicant should ensure that his personal particulars as recorded by both the CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform the CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the CDP.

17. The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.

18. In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of the ARE and/or the ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company or the CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one or a combination of the following:

(a) by means of a crossed cheque sent **BY ORDINARY POST AT HIS OWN RISK** to his mailing address as maintained with the records of the CDP if he accepts and (if applicable) applies through the CDP; and/or

(b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any thereunder.

19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and the CDP are entitled, and the Applicant hereby authorises the Company and the CDP, to take into consideration:

    (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE and/or the ARS or any other form of acceptance (including Electronic Application through an ATM) for the Rights Shares;

    (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "**Free Balance**" of the Applicant's Securities Account which is available for acceptance; and

    (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

    The Applicant hereby acknowledges that the Company's and the CDP's determination shall be conclusive and binding on him.

20. The Applicant irrevocably requests and authorises the Company and/or the CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares for which the Applicant has applied.

21. With regard to any acceptance and/or application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, ARE, and the ARS, and/or any other application form for the Right Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, ARE, and the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "**Free Balance**" of the Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as it may deem fit.

22. The Company and/or the CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

APPENDIX E – LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM:

1. United Overseas Bank Limited; and

2. DBS Bank Ltd. (including POSB Bank).

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares currently held by you	XX,XXX
Shares as at XX January 2015 (Record Date)	
Number of Rights Shares provisionally allotted*	XX,XXX
Issue Price	S$0.0X per Rights Share

This is your shareholdings as at Record Date.

This is the date to determine your Rights entitlements.

This is your number of Rights entitlement.

This is price that you need to pay when you subscribe for one Rights Share.

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. ATM Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by XX September 2015 at 9.30 p.m.

Participating Banks are XXX, XXX and XXX.

2. Mail Complete section below and submit this form to CDP by XX September at 5.00 p.m.

(i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP – XXXXX RIGHTS ISSUE ACCOUNT**" will be accepted

(ii) Applications using a PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER will be **rejected**

(iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the last date and time to subscribe for the Rights Share through ATM and CDP.

You can apply your Rights Shares through ATMs of these Participating Banks.

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of Participating ATM Banks and payee name on the Banker's Draft/Cashier's Order.

3. Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied:
(Provisionally Allotted + Excess Rights Shares) ☐☐ , ☐☐☐ , ☐☐☐ , ☐☐☐

ii. Cashier's Order/Banker's Draft Details:
(Input last 6 digits of CO/BD) ☐☐☐☐☐☐

Signature of Shareholder(s) Date

Fill in the total number of the Rights Shares and Excess Rights Shares (for ARE)/ number of Rights Shares (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the CO/BD number (eg. 001764) within the boxes.

Sign within the box.

Notes:

(i) If the total number Rights Shares applied exceeds the provisional allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.

(ii) The total number of Rights Shares applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Shares will be appropriated accordingly if the applied quantity exceeds this amount.

(iii) Please note to submit one (1) Banker's Draft/Cashier's Order per application form.

4. Sample of a Cashier's Order

CASHIER'S ORDER

DATE

DD / MM / YY

PAY CDP - [redacted] RIGHTS ISSUE ACCOUNT

OR ORDER

S$ 7,600.00

SINGAPORE DOLLARS **SEVEN THOUSAND SIX HUNDRED ONLY**

BANK REF. : 01050B5000052 S1

VALID FOR SIX MONTHS ONLY FROM DATE OF ISSUE

⑆4⑈001764⑈7171⑉105⑆1050999997⑈

DIRECTORS' RESPONSIBILITY STATEMENT

Dated this day of 2019.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this OIS and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this OIS constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this OIS misleading. Where information in this OIS has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this OIS in its proper form and context.

DIRECTORS OF CHINA STAR FOOD GROUP LIMITED

Liang Chengwang
Executive Chairman and
Chief Executive Officer

Ng Poh Khoon
Lead Independent Director

Chen Hua Jing
Executive Director

He Jing
Independent Director

Chong Yang Kan
Independent Director