

PACIFIC STAR DEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198203779D)

UPDATE ANNOUNCEMENT IN RESPECT OF FACILITY A

The Board of Directors (the “**Board**”) of Pacific Star Development Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 11 February 2021 titled “Update Announcement in respect of Facility A” (the “**Facility A Update Announcement**”) and the Company’s results announcement for the financial quarter ended 31 March 2021 which was released on 10 May 2021 (the “**3QFY2021 Results Announcement**”). Unless otherwise defined herein, capitalised terms shall have the meanings ascribed to them in the Facility A Update Announcement and the 3QFY2021 Results Announcement.

In the segment titled “Going concern and working capital position” of the 3QFY2021 Results Announcement, the Company had disclosed the Group’s efforts in seeking the Additional Financing and Package Deal. The Company wishes to announce that on 30 June 2021, Pearl Discovery Development Sdn Bhd (“**PDD**”), the principal subsidiary of the Company which is the development company of the Puteri Cove Residences and Quayside project in Iskandar Puteri, Malaysia (“**PCR**”), has signed a revised letter of offer for Facility A (the “**Revised LO**”) with the Bank. The salient terms pursuant to the Revised LO are as follow:

- (i) The Bank has granted a second extended principal moratorium on Facility A for the months of April 2021 to June 2021;
- (ii) The utilisation of the existing Debt Servicing Reserve Account under Facility A (the “**DSRA**”) to service the interest payments in arrears for the months of April 2021 to June 2021;
- (iii) The principal repayments from July 2021 to September 2023 will be based on a certain predetermined percentage of PDD’s monthly actual cash inflow after deducting the interest to be serviced monthly in arrears (the “**Priority of Payment**”);
- (iv) If there are inadequate sales to cover any principal repayment in accordance with the Priority of Payment, the Bank has granted a third extended principal moratorium on Facility A for the period from July 2021 to September 2023;
- (v) PDD will be required to establish an Interest Servicing Reserve Account (the “**ISRA**”) for the servicing of interest payments on Facility A. If there are inadequate sales to cover any interest payment, the Bank shall uplift the interest payments from the ISRA;
- (vi) The Bank has allowed the further indebtedness of PDD in relation to the Additional Financing;
- (vii) In relation to the Additional Financing, the Bank has allowed for a second legal charge, ranking behind the Bank, to be granted in favour of the Lenders over the Bank’s existing securities arising from Facility A. Such Additional Financing shall be subordinated to Facility A;
- (viii) Without the prior consent from the Bank, PDD is not allowed to declare dividend in excess of 50% of its annual net profit after tax;
- (ix) The interest for the overdraft facility (comprising part of Facility A) shall be 1.25% per annum over the Bank’s Base Lending Rate on daily rest and the interest on the fixed loan facility (comprising part of Facility A) shall be 2.75% per annum over the Bank’s prevailing 1, 3, 6, 9 and 12 month’s effective cost of funds on monthly rest, which is consistent with the current bases of computation of interest for the respective sub-facilities under Facility A;

- (x) The existing securities provided to the Bank as disclosed in our 3QFY2021 Results Announcement remains the same; and
- (xi) The final maturity date of Facility A remains unchanged (i.e. October 2023).

With reference to Page 92 of the Company's FY2021 Annual Report, the Company disclosed that as at 30 June 2020, PDD has breached a covenant in relation to Facility A in that PDD was required to obtain equity financing equivalent to the shortfall of its sales and hotel revenue from its Pan Pacific Serviced Suites (which has not commenced operation till date) from those stated in the Letter of Offer (the "**Equity Top Up Covenant**"). This is no longer regarded as a breach as such Equity Top Up Covenant is not included in the Revised LO.

In essence, the Revised LO facilitates and paves the way for the next steps for the Additional Financing and the Package Deal to proceed. The Group, the Lenders and the Bank continue to be in discussions on the Additional Financing and Package Deal, with the relevant definitive documentation to follow.

The Company will provide further updates as and when there is more substantive progress on the abovementioned transactions.

The Board wishes to advise shareholders and investors to exercise caution when dealing in the shares of the Company and to refrain from taking any action in relation to such shares which may be prejudicial to their interests. It should be noted that there is no assurance that the Additional Financing and the Package Deal mentioned above would be completed. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers immediately

ON BEHALF OF THE BOARD

Ying Wei Hsein
Executive Chairman
30 June 2021

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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