

PACIFIC STAR DEVELOPMENT LIMITED

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

UPDATE ANNOUNCEMENT RELATING TO:

1. BANKRUPTCY PROCEEDINGS AGAINST KANOKKORN PATTANA CO., LTD.
 2. SALE OF SHARES IN KANOKKORN PATTANA CO., LTD.
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Unless otherwise defined here, capitalised terms used in this announcement shall have the meanings ascribed to them in the Company's announcement dated 23 June 2020 titled "Initiation of Bankruptcy Proceedings Against Kanokkorn Pattana Co., Ltd" (the "**Petition Announcement**"), the Company's announcement dated 17 September 2020 titled "1. Update Of Bankruptcy Proceedings Against Kanokkorn Pattana Co., Ltd.; 2. Sale Of Shares In Kanokkorn Pattana Co., Ltd." (the "**Disposal Announcement**") and the Company's announcements dated 4 November 2020, 26 November 2020 and 17 December 2020 titled "Update Announcement: 1. Update Of Bankruptcy Proceedings Against Kanokkorn Pattana Co., Ltd.; 2. Sale Of Shares In Kanokkorn Pattana Co., Ltd." (the "**Update Announcements**").

1. The Board of Directors (the "**Board**" or "**Directors**") of Pacific Star Development Limited (the "**Company**") refers to the Petition Announcement, the Disposal Announcement and the Update Announcements.
2. In the Update Announcements, the Company had disclosed that the next hearing dates for Minaret's bankruptcy application against KNK would take place on 31 March 2021 and 1 April 2021. There are no changes to these dates thus far.
3. In respect of the Transaction, as announced in the Company's announcement dated 17 December 2020, Minaret has, as an indulgence, agreed to the Purchaser's request for an extension of time of 21 days for the payment of the First Deposit (up till the extended deadline of 5 January 2021). In view of logistical difficulties and delays in various meetings on the part of the Purchaser during the week of 5 January 2021 due to the COVID-19 situation in Bangkok, Minaret had allowed a further indulgence for the Purchaser to ensure the availability of funds for the First Deposit by 6.00pm (Bangkok time) on 15 January 2021. Subsequently, on 16 January 2021, Minaret submitted a cheque of THB 150 million (which had been furnished by the Purchaser on the date of signing of the SPA for the payment of the first tranche of the Non-Refundable Deposit) to its bank for presentation to the issuing bank for payment of the First Deposit. On 19 January 2021, Minaret's bank informed that the cheque failed to clear because the Purchaser had requested his issuing bank to stop the payment. From 20 January 2021 to the date of this announcement, the Company has been preparing various documents and coordinating various actions in relation to the termination of the SPA.
4. Minaret has terminated the SPA on 26 January 2021 as the Purchaser has breached the terms of the SPA due to the non-payment of the First Deposit despite indulgence rendered by Minaret to the Purchaser. Minaret has expressly reserved all of its rights against the Purchaser, and is currently reviewing its position and seeking legal advice on its next steps.
5. The termination of the SPA has no impact on the "Going Concern Assumption" as stated in note 2.1 to the Company's audited financial statements for the financial year ended 30 June 2020 (the "**Audited Financial Statements**") as management has not factored in the receipt of the First Deposit or any other tranches of the Non-Refundable Deposit in its cash flow projections due to the uncertainty of the collection of such sums. Specifically, the following statements, included in note 2.1 of the Audited Financial Statements, would no longer remain applicable:

"The ability of the Company to continue as a going concern is dependent on:

- (ii) *The completion of the disposal of the Group's interest in Kanokkorn Pattana Co., Ltd. ("**KNK**") as announced by the Company on 17 September 2020 (the "**Disposal of KNK**")*

(Note 40(e)) and the timely repatriation of the Group's share of the scheduled receipt of the Group's consideration (net of commission payable) pursuant to the Disposal of KNK for the financial year ending 30 June 2021 amounting to approximately \$10,804,000;" and

"In the assessment of going concern, the Board has considered the following factors:

- (5) The scheduled receipt of the Group's share of the consideration (net of commission payable) pursuant to the Disposal of KNK for the financial year ending 30 June 2021 amounting to approximately \$10,804,000;"*
6. The rest of the going concern assumptions of the Group and the Company continue to apply.
7. The Company will continue to explore other leads to dispose its entire interest in KNK, including the shareholder loans made thereto.
8. 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 Transaction 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
26 January 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.

The contact person for the Sponsor is Mr. David Yeong, SAC Capital Private Limited at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542. Telephone number: +65 6232 3210.