

# PACIFIC STAR DEVELOPMENT LIMITED

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

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## RECEIPT OF NOTICE OF ACCELERATION – KANOKKORN PATTANA CO., LTD.

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The Board of Directors (the “**Board**”) of Pacific Star Development Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to update that Kanokkorn Pattana Co., Ltd. (“**KNK**”), a Thai joint venture company held via the Group’s associate and joint venture companies, had received a letter on 1 July 2020 containing a notice of acceleration (dated 5 June 2020) (the “**Notice of Acceleration**”) from The Siam Commercial Bank Public Company Limited (“**SCB**”).

KNK is the developer and the asset holding company of the Group’s condominium development located in Bangkok, Thailand, known as “The Posh Twelve” (“**P12**”). The joint venture partner in respect of KNK is Tiwanon Development Ltd (“**Tiwanon**”). The Group and Tiwanon hold their joint venture interests in KNK via a joint venture company, Minaret Holdings Limited (the “**JVCo**”). SCB is a Thai bank which is the lender of an existing loan facility to KNK (the “**SCB Facility**”).

As at 30 June 2020, the total principal amount outstanding pursuant to the SCB Facility consists of THB 204,700,000 (approximately S\$9,252,440) of land loans (the “**Land Loans**”) and THB 20,000,000 (approximately S\$904,000) of overdraft facilities (the “**Overdraft**”). The SCB Facility is secured by way of a first ranking land and building mortgage over the land and the construction in progress of P12, share pledge over the shares of KNK, pledge of KNK account, subordination of shareholder loans as well as corporate guarantees from Tiwanon and PSD Holdings Pte. Ltd. (“**PSDH**”). PSDH is formerly a related company of one of the controlling shareholders of the Company and is currently under the administration and control of the trustee of that controlling shareholder’s estate due to his bankruptcy. The Company and the Group have not provided any corporate guarantee to SCB. For the avoidance of doubt, the Group does not hold any shareholding interest in PSDH.

The Notice of Acceleration, a photocopy attachment to the notice of event of default addressed to Tiwanon, is dated 5 June 2020 and was received by the management during a meeting with a representative of Tiwanon on 1 July 2020. On 8 June 2020, SCB had verbally informed management that it will issue a letter to KNK in respect of the SCB Facility. Subsequently, on 12 June 2020, 18 June 2020 and 22 June 2020, the management of the Company requested for a copy of the said letter from SCB via email and text message but was not provided a copy of the said letter. Till date, KNK has not received the original Notice of Acceleration.

Pursuant to the Notice of Acceleration, SCB has demanded for KNK to repay the outstanding Overdraft and the Land Loans (including interest) under the SCB Facility by 15 June 2020 and 8 July 2020 respectively.

The Company makes reference to its announcement dated 23 June 2020 titled “Initiation Of Bankruptcy Proceedings Against Kanokkorn Pattana Co., Ltd.” (the “**KNK Bankruptcy Petition Announcement**”). As disclosed in the KNK Bankruptcy Petition Announcement, the Group had initiated the bankruptcy of KNK on 22 June 2020. In terms of the financial impact of the initiation of the bankruptcy of KNK, there is no recourse of liability from KNK and its related entities directly and indirectly holding KNK (the “**P12 Entities**”) to the Group, as the Group has not provided any corporate guarantee for the P12 Entities.

Subsequent to the Board’s completion of the strategic review of KNK, prior to the commencement of preparation of the submission of petition for KNK’s bankruptcy, management had provided SCB with the option for them to trigger the bankruptcy proceedings against KNK. On 27 May 2020, SCB had confirmed their preference for the JVCo to trigger and submit the bankruptcy petition against KNK.

In view that the bankruptcy petition for KNK has already been submitted on 22 June 2020, and that the Notice of Acceleration is issued and pertains to KNK, currently it is envisaged that there is no other material adverse impact arising from the Notice of Acceleration against the Group. Currently, the Group through the JVCo will continue attending to the bankruptcy process for KNK in line with Thai bankruptcy law and procedures.

The Company will update shareholders on the progress of this matter at the appropriate time. In the meantime, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

**ON BEHALF OF THE BOARD**

Ying Wei Hsein  
Executive Chairman  
2 July 2020

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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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