

# PACIFIC STAR DEVELOPMENT LIMITED

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

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## EXTENSION OF TIME APPLICATION TO THE SINGAPORE EXCHANGE REGULATION PTE LTD FOR:

- (I) 2-MONTH TO HOLD THE COMPANY'S ANNUAL GENERAL MEETING ("AGM") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 ("FY2021");
  - (II) 2-MONTH TO SUBMIT THE COMPANY'S SUSTAINABILITY REPORT FOR FY2021; AND
  - (III) 1-MONTH TO SUBMIT THE COMPANY'S RESUMPTION OF TRADING PROPOSAL.
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### 1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of Pacific Star Development Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that on 15 October 2021, the Company has submitted an application to the Singapore Exchange Regulation Pte Ltd (the "**SGX RegCo**") for an application for the following extensions of time:

- (i) 2-month, from 31 October 2021 to 31 December 2021, for the Company to hold its AGM for FY2021,
- (ii) 2-month, from 30 November 2021 to 31 January 2022, for the Company to submit its sustainability report; and
- (iii) 1-month, from 24 November 2021 to 24 December 2021, for the Company to submit its Resumption of Trading Proposal,

collectively, the "**Extensions**".

### 2. BACKGROUND

2.1 The shares of the Company that are listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") have been suspended since 24 March 2020. The Company had also announced on that same day, a voluntary suspension request announcement and the Board's basis for the request (the "**24 March 2020 Announcement**"). The 24 March 2020 Announcement made reference to, *inter alia*, (i) the resignation of Mr Chan Fook Kheong (the previous Chief Executive Officer and Managing Director of the Company) ("**Mr Chan**") and his bankruptcy order; and (ii) the S\$70,000,000 loan facility entered into on 24 December 2018 (together with an additional S\$2,000,000 facility increment as announced on 30 June 2021, referred to as the "**Loan Facility**") by a subsidiary of the Company. In view of Mr Chan's resignation and his bankruptcy order, it was surmised that the event would constitute a change of control and a basis for the lenders of the Loan Facility (the "**Lenders**") to immediately require the mandatory prepayment of the loan and the interests accrued. Accordingly, the Company sought a waiver of the abovementioned change of control from the Lenders. The Lenders were not in a position to grant such waiver but remained supportive of the Group.

2.2 In the 24 March 2020 Announcement, the Board was of the view that there was material uncertainty in relation to the continued trading of the Company's shares on the SGX-ST. In order to prevent any irregular movement in the Company's share price, the Company decided to request for a voluntary trading suspension. Such suspension is ongoing till date.

2.3 On 14 October 2021, the Company announced:

- (a) the entry into a definitive amendment and restatement agreement relating to the Loan Facility (the "**Amended Agreement**"). The Amended Agreement, amongst others, extended the tenure of the Loan Facility which was due on 28 December 2020 to 5 October 2023 and provided waivers for various breaches of the Loan Facility; and

- (b) the entry into a definitive agreement relating to a S\$30,000,000 loan facility granted by the Lenders to the Group's principal subsidiary, Pearl Discovery Sdn. Bhd. ("**PDD**") (the "**Additional Financing Agreement**").

The Amended Agreement and the Additional Financing Agreement are collectively referred to herein as "**Definitive Agreements**".

- 2.4 Currently, the management team of the Group (the "**Management**") is working to fulfil the conditions precedent relating to the Definitive Agreements, which are voluminous. This is with a target to achieve the first draw down from the S\$30,000,000 facility (the "**Additional Financing**") to take place on or before 31 October 2021.
- 2.5 The Management is also concurrently working to release the unaudited results announcement for the first quarter ended 30 September 2021 ("**1QFY2022**") within the 45-day deadline (i.e., on or before 14 November 2021) pursuant to Rule 705(2) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").
- 2.6 Under Catalist Rule 1304(1), if the trading of the Company's shares is suspended under Catalist Rule 1303(3), the Company is required to submit a proposal (or proposals) through its sponsor to the SGX RegCo with a view to resume trading in the Company's shares (the "**Resumption Proposal**") within 12 months of the date of suspension. If no Resumption Proposal(s) is/are received to enable trading to resume within 12 months of the date of suspension, the SGX-ST may remove the Company from the Official List. Accordingly, the initial deadline for the Company to submit its Resumption Proposal was 24 March 2021. This deadline was extended to 24 November 2021 by SGX RegCo on 24 March 2021 pursuant to the Company's application dated 12 March 2021.

### **3. RATIONALE FOR SEEKING THE EXTENSIONS**

- 3.1 The Company wishes to request for the Extensions due to the following reasons:
  - (a) The work on the fulfilment of all the conditions precedents relating to the Definitive Agreements is voluminous and time-sensitive. The time-sensitivity is of paramount importance because PDD requires the timely draw down from the Additional Financing urgently in order to meet its cashflow obligations. Therefore, the Management is required to put substantial time and resources into these legal documents in order for the funds from the Additional Financing be drawn down on or before 31 October 2021;
  - (b) The Company is currently operating with a very lean management team due to the need to control staff costs in light of the Group's tight cash position as well as manpower constraints. This has affected the timelines for the preparation of the FY2021 financial statements, annual report and sustainability report. As an interim measure, the Company's Executive Chairman, a chartered accountant, is preparing the FY2021 financial statements for the Group's auditors' (the "**Auditors**") review;
  - (c) In addition, the audit of the Group's financials for FY2021 is still not completed as at the date of this announcement. There are a number of audit matters, including going concern assessment, which are still being worked out between the Management and the Auditors;
  - (d) In connection with the factors described in sub-paragraphs (a) to (c) above, the Management will need more time to finalise the FY2021 financial statements, annual report and sustainability report; and
  - (e) The Board is of the view that it is not meaningful to submit the Resumption Proposal before the Auditors issue an independent opinion with regard to the Company's and the Group's abilities to continue as going concerns.

#### **4. APPLICATION TO ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (“ACRA”)**

- 4.1 The Company is concurrently requesting for an extension of time with ACRA in relation to the holding of its AGM and submission of its annual return pursuant to Sections 175 and 197 of the Companies Act (Chapter 50) of Singapore respectively. The Company will make an announcement on the SGX-ST regarding the outcome of its application to ACRA in due course.

#### **5. INDICATIVE TIMELINE**

- 5.1 Tentatively, the Company would target to hold the AGM by 31 December 2021 and to release an electronic copy of its annual report at least 14 calendar days before the AGM. Shareholders should note that the above timelines are indicative only and may be subjected to changes. Please refer to future announcement(s) by the Company for the exact dates of such events.
- 5.2 The Company would provide an update on the outcome of the application for the Extensions in due course.

#### **ON BEHALF OF THE BOARD**

Ying Wei Hsein  
Executive Chairman  
15 October 2021

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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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