

PACIFIC STAR DEVELOPMENT LIMITED

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

LOAN ASSIGNMENTS RELATING TO PSD HOLDINGS PTE. LTD. AND ITS CREDITORS

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 annual report for the financial year ended 30 June 2020 (the “**FY2020 Annual Report**”). The Company wishes to provide an update to shareholders relating to certain assignments made by PSD Holdings Pte. Ltd. (“**PSDH**”). PSDH was previously controlled by Mr Chan Fook Kheong (“**Mr Chan**”), who was previously the Managing Director, Chief Executive Officer and controlling shareholder of the Company. Pursuant to a court order, Mr Chan was adjudged a bankrupt on 19 March 2020, and a private trustee (the “**Trustee**”) was appointed to administer Mr Chan’s estate in bankruptcy. Accordingly, Mr Chan’s assets, including his interest in the Company’s shares, are no longer under his control and have vested under the Trustee’s control.

Under the narrative “Amount due to a related party” in Note 28 to the financial statements on Page 97 of the FY2020 Annual Report, the Company and the Group had S\$3,651,000 and S\$9,370,000 due to PSDH respectively.

The Group’s amount due to PSDH as at 30 June 2020 was made up of (i) S\$3,651,000 due to PSDH by the Company and (ii) S\$5,719,000 due by PSD Singapore Pte. Ltd. (“**PSDS**”), a wholly-owned subsidiary of the Company, to PSDH.

As at 30 April 2021, the amount owing by the Group to PSDH are as follows:

Entity	Current Interest rate	Principal S\$	Accrued interest S\$	Total S\$
PSDS	5.00%	3,500,000.00	215,321.13	3,715,321.13
PSDS	-	2,148,734.19	-	2,148,734.19
Amount due by PSDS to PSDH		5,648,734.19	215,321.13	5,864,055.32
Pacific Star Development Limited ("Amount due from PSDL to PSDH")	-	3,500,000.00	151,301.37	3,651,301.37
PSDH Loans to the Group		9,148,734.19	366,622.50	9,515,356.69

Note: The accrued interest of S\$151,301.37 under the amount due from PSDL to PSDH arises from interest previously accrued. At the present time, there is no longer any interest charged on the amount due from PSDL to PSDH.

The amounts owing by the Group to PSDH (including the Amount due from PSDL to PSDH) of S\$9,515,356.69, in conjunction with the underlying contracts, shall be collectively referred to as the “**PSDH Loans**”.

On 17 September 2021, the Company has been informed that the PSDH Loans have been assigned in full by PSDH to (i) CH Biovest Pte. Limited (“**CH Biovest**”) and (ii) DB2 Investment Pte. Ltd. (“**DB2**”) via a Deed of Assignment with effect from 30 April 2021 (the “**Deed of Assignment**”). The effects of the Deed of Assignment are as follows:

- (i) CH Biovest, a controlling shareholder of the Company holding 35.52% of the shares in the share capital of Company, shall be assigned 76.63% of PSDH's rights, title, interest and benefits in and to the PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances; and
- (ii) DB2 shall be assigned 23.37% of PSDH's rights, title, interest and benefits in and to the PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances. DB2 has no shareholding in the Company, and is not related to any director, controlling shareholder and/or their respective associates.

Accordingly, the sums owing by the Group to PSDH pursuant to the PSDH Loans shall be assigned to CH Biovest and DB2 in accordance with the abovementioned proportions. By way of background, CH Biovest and DB2 are creditors of Mr Chan and have had court judgements issued in their favour. Accordingly, the abovementioned assignment is part of the debt recovery efforts pertaining to CH Biovest and DB2.

Neither the Company nor PSDS is a party to the Deed of Assignment. As far as the Company is aware, the Deed of Assignment is a debtor-creditor arrangement between PSDH, CH Biovest and DB2 (the "**Assignment**"). For the avoidance of doubt, notwithstanding CH Biovest being one of the assignees, the Assignment is not an interested person transaction as defined under the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. This would be an assigned loan from PSDH to CH Biovest, wherein 76.63% the amount owing by the Group initially to PSDH would be reclassified as an amount owing by the Group to CH Biovest (an interested person).

As part of the requirements of the Deed of Assignment, the Company and PSDS have been requested to acknowledge the Assignment. The Company does not see any reason to withhold the acknowledgement of the Assignment as the amounts owing and the terms relating to the PSDH Loans remain unchanged save for the identity of the creditors. In this case, PSDH ceases to be the creditor whilst CH Biovest and DB2 now replace PSDH as the creditors of the Company and PSDS in relation to the PSDH Loans.

Subsequent to the Assignment, the amount due to CH Biovest and DB2 shall continue to be subordinated to the S\$72.0 million loan facility (as announced on 24 December 2018, including the Loan Increment as defined in the Company's announcement dated 30 June 2021) pursuant to certain accession agreements entered into by CH Biovest and DB2.

Accordingly, the Company and PSDS have acknowledged the Assignment to PSDH, CH Biovest and DB2 as at the date of this announcement.

CH Biovest (as an assignee of the PSDH Loans described above) and PSDH (as the assignor of the PSDH Loans described above) are controlling shareholders of the Company and are involved in the above-mentioned assignment arrangement. Aside from this, none of the directors of Company and their associates have any interest in the above-mentioned assignment arrangement.

ON BEHALF OF THE BOARD

Leow Chin Boon
Lead Independent Director
19 September 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.