

PACIFIC STAR DEVELOPMENT LIMITED

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

DELISTING OF THE COMPANY – FINAL ANNOUNCEMENT

1. As announced previously, Pacific Star Development Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) will be delisted with effect from 9.00am on 19 June 2023 after over three-plus years of suspension of trading of the Company’s shares since 24 March 2020 (the “**Suspension**”).
2. The Suspension was triggered by the resignation and bankruptcy of the Company’s former controlling shareholder, Chief Executive Officer and Managing Director, Mr Chan Fook Kheong. At that juncture, these could constitute a change of control (the “**Change Of Control**”) pursuant to the terms of the S\$70 million loan facility provided by a group of lenders (the “**Lenders**”) in December 2018 (the “**Loan**”) to the Group. The Change Of Control would have entitled the Lenders to immediately require the mandatory prepayment of the Loan, together with accrued interest, and all other amounts accrued under the finance documents relating to the Loan. As the Company was unable to obtain a waiver from the Lenders in relation to the Change Of Control, at that point in time, the Board of Directors (the “**Board**”) was of the view that this constituted material uncertainty in relation to the continued trading of the Company’s shares on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). In order to prevent any irregular movements in the Company’s share price, the Board decided to request for the Suspension.
3. In addition, the Suspension would have constituted an event of default under the Loan and the Lenders would have had the right to accelerate the Loan and declare all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the finance documents relating to the Loan immediately.
4. Despite the Change Of Control and Suspension, the Lenders remained supportive of the Group. Subsequent to the Suspension and up to 31 March 2023, the Lenders provided over S\$38 million of additional financing to the Group which was crucial to enable the Group to have the necessary runway to resolve the issues that it was facing.
5. Even before the Suspension, the Group was already facing a plethora of business challenges such as the excess supply of condominium units in Iskandar Puteri, which was compounded by the change of political landscape in Malaysia in 2018. This was evidenced by the first quarterly loss reported by the Group (under the Company’s iteration as Pacific Star Development Limited) for the first quarter of its financial year ended 30 June 2019 (i.e. the three months ended 30 September 2018). With subsequent successive quarters of losses, these resulted in a capital deficiency for the Group as at 30 June 2020.
6. In June 2019, August 2019 and February 2020, the Board’s composition was refreshed and these members of the Board (who were appointed in the months stated above) have stayed on despite the immense and long-drawn challenges faced by the Group.
7. In addition to the Change Of Control, Suspension, financial challenges and business challenges leading up to March 2020, the Group’s business was badly hit by the COVID-19 pandemic. Despite all these challenges, the management team (“**Management**”), under the guidance from the Board, continued to keep the Group’s business running. Our efforts involved, amongst others:
 - (i) carrying out decisive and significant cost rationalisation exercises in the initial months of the pandemic;

- (ii) initiating, in June 2020, the bankruptcy of Kanokkorn Pattana Co., Ltd., a Thai joint venture company held via the Group's associate and joint venture companies, which is the property development company for a condominium development located in Bangkok, Thailand, known as "The Posh Twelve". This initiative was difficult but necessary to direct the Group's remaining limited resources to its completed project in Iskandar Puteri, Malaysia (i.e. Puteri Cove Residences & Quayside or "PCR"). In the absence of this, it would have been possible that the entirety of the Group's business (i.e. both the projects in Malaysia and Thailand) may have been decimated under the guillotine that was the pandemic;
 - (iii) seeking support from and indulgence of the Lenders, the bank that provided credit facilities to our principal subsidiary in Malaysia (the "Bank"), creditors and Malaysian government agencies to implement workable payment schedules and debt settlement plans;
 - (iv) streamlining the management leadership and refining the corporate culture across the Group;
 - (v) obtaining additional financing from the Lenders to support the Group's operations;
 - (vi) obtaining support to restructure the repayment of the loan provided by the Bank;
 - (vii) obtaining S\$0.7m in loans in 2022 to fund listing related expenses as well as for payment of amounts due to the Company's former aluminium subsidiaries (which are under liquidation); and
 - (viii) continuing to market and monetise the unsold condominium units at PCR in an orderly manner.
8. Contemporaneously, Board and Management worked hard on restructuring the debts and business of the Group with a view to eventually resume trading of the Company's shares. This was done with the objective of creating an avenue to lower the losses of all shareholders of the Company (the "Shareholders").
 9. The myriad of difficulties of the pandemic in 2020 – 2022 and the macroeconomic challenges which followed (e.g. the Russia-Ukraine war, global supply chain disruption and worldwide interest rate hikes) in 2022/2023 impacted the nascent post-COVID recovery and affected our timelines for the relevant restructuring and related transactions to submit a Resumption of Trading Proposal (the "RTP") to Singapore Exchange Regulation Pte (the "SGX RegCo"). In this light, the Company sought extensions of time from SGX RegCo for the RTP. We were cognisant of the multiple extensions sought, although these were unavoidable as the unprecedented and unrelenting nature of the COVID-19 pandemic meant that even the best-laid plans were subjected to unforeseen and unavoidable setbacks.
 10. Back then, no one was able to predict how long the pandemic would last. Multiple waves of infections and subsequent COVID-19 variants repeatedly eroded the progress made in the interim regarding the submission of the RTP. Case-in-point – the Delta variant/wave wreaked havoc in late-2021 just when vaccines appeared to be turning the tide of the pandemic; subsequently in late-2021/early-2022, when the pandemic appeared to be subsiding again, the Omicron variant/wave surfaced which resulted in the implementation of quarantines and border restrictions until mid-2022.
 11. Be that as it may, although the gears for our Group's restructuring were in motion, time had run out and eventually our latest extension of time request to submit the Company's RTP was not approved. This has culminated in the Company's impending delisting from the official list of the SGX-ST on 19 June 2023. To summarise, time was not on our side despite the best efforts from the Board and Management.
 12. On 13 June 2023, Mr Yeong Wai Cheong, our Independent Director, stepped down. On 19 June 2023, our other Independent Directors, Mr Leow Chin Boon and Mr Lim Hoon Tong, will also step down post-delisting. They have assisted the Company immensely with their counsel and guidance over the past three-plus years. Most of the current staff and members of Management and the Board had joined the Group just before or in the midst of the Suspension. Although none of us are the founding members of the Group, nor do we own any shares in the Company or equity interests in the Group and its business, we put in our utmost efforts to manage the crises and keep the Group running during this arduous journey, working against the odds with limited resources, manpower and time. The Group would like to take this opportunity to express our heartfelt appreciation to Mr Leow Chin Boon, Mr Yeong Wai Cheong and Mr Lim Hoon Tong for their services as independent directors of the Company.

13. On behalf of the Group and Board, we also wish to take this opportunity to thank all our current and ex-staff who have believed in the Group despite the immense challenges we faced. In particular, a special note of appreciation to Mr Darren Chua Nam Fei (Chief Operating Officer & Head of Legal), Ms Florence Wee Shu Yi (Assistant Vice President – Operations and Human Resource Manager) and Ms Ong Mei Ki (former Vice President – Finance) who took up the challenge to steer the Group forward with dedication and conviction.
14. The Board would like to express our appreciation to SAC Capital Private Limited, the Company's sponsor, for their counsel, professionalism and support.
15. Last but not least, the Board would like to take this opportunity to express our appreciation and gratitude to the Shareholders, Lenders, Bank, contractors, suppliers, vendors, creditors and professional firms for placing your trust and confidence in the Group and the Management.
16. Looking forward, Management will focus on the continuation of business as usual at the Company's principal subsidiary, Pearl Discovery Development Sdn Bhd.

ON BEHALF OF THE BOARD

Ying Wei Hsein
Executive Chairman
16 June 2023

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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