

PACIFIC STAR DEVELOPMENT LIMITED

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

CAPITALISATION OF INTEREST ON LOAN FACILITY

The Board of Directors (the “**Board**”) of Pacific Star Development Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 24 December 2018 (the “**Loan Facility Announcement**”) relating to the Group’s S\$70 million loan facility (the “**Loan Facility**”). Unless otherwise defined herein, capitalised terms shall have the meanings as ascribed to them in the Loan Facility Announcement.

Pursuant to the terms of the Loan Facility, the Group was to make cash payment of quarterly interest to the Lenders on 30 June 2020 (the “**Cash Interest**”). The current COVID-19 pandemic has profound negative effects on the Group’s operations. Hence, with the objective of conserving cash, the Group had been in discussions with the Lenders in June 2020 seeking a capitalisation of the Cash Interest. On 10 July 2020, the Lenders have issued a letter to Twin Prosperity Group Limited (a wholly owned subsidiary of the Group) agreeing to capitalise the Cash Interest amounting to S\$1,434,969.44 (the “**Capitalisation of Interest**”). Pursuant to such Capitalisation of Interest, the Cash Interest amount would be added to the outstanding principal amount under the Loan Facility and will subsequently be treated for all purposes of the Loan Facility as part of the principal amount of the Loan and accrue interest and be repayable in accordance with the Loan Facility. Consequently, the Cash Interest need not be paid in cash.

The Capitalisation of Interest is beneficial to the Group from a cashflow perspective because it allows the Group to conserve cash in the immediate term. The Capitalisation of Interest is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ended 30 June 2020.

ON BEHALF OF THE BOARD

Ying Wei Hsein
Executive Chairman
14 July 2020

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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