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Business Reg. No: 198203779D

First Quarter Unaudited Financial Statements and Dividend Announcement for the Period Ended 31 March 2017 (“1Q2017”) – Amendment to Comparative Numbers

There is no change to the Group’s 1Q2017 results and financial position as at 31 March 2017 and this announcement is being made solely for the purpose of an amendment to the comparative numbers for the corresponding period ended 31 March 2016 (“1Q2016”) that were previously disclosed in the Group’s announcement dated 11 May 2017. The comparative numbers presented in this announcement are those of the Target Group (as defined herein) whereas the comparative numbers in the previously published announcement were those of the LH Group Limited. Going forward, the Group will present all comparative numbers as those of the Target Group.

Background

Pacific Star Development Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), formerly known as LH Group Limited, was formed through a reverse takeover (“**RTO**”) of the entire issued share capital of PSD Singapore Pte. Ltd. (formerly known as Pacific Star Development Pte. Ltd.) (the “**Target**” and together with its subsidiaries, the “**Target Group**”). The RTO was completed on 15 February 2017 and the Company changed its name to Pacific Star Development Limited. Please refer to the Company’s Circular dated 30 December 2016 for further details of the RTO.

The Target Group is a Singapore-based property developer which is engaged in the business of property development. It is engaged in luxury mixed-use property developments in ASEAN countries, currently in Malaysia and Thailand.

Consolidated Financial Statements

Following the completion of the RTO (“**Completion**”), the legal subsidiary, the Target, is regarded as the accounting acquirer and the Company as the accounting acquiree, in accordance with the provision of Singapore Financial Reporting Standard (the “**FRS**”) 103: Business Combination. As such, the consolidated financial statements have been prepared and presented as a continuation of the Target Group.

Accordingly, the consolidated financial statements comprising the profit and loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows for the first quarter period ended 31 March 2017 have been presented as a continuation of the Target Group’s financial results and operations, in accordance with the following:

- 1) The assets and liabilities of the accounting acquirer, the Target Group, are recognised and measured in the consolidated statement financial position at their pre-acquisition carrying amount;
- 2) The assets and liabilities of the accounting acquiree, the Company, are recognised and measured in the consolidated balance sheet at their acquisition-date fair values;
- 3) The retained earnings and other equity balances recognised in the consolidated financial statements of the Group are the retained earnings and other equity balances of the Target Group immediately before the RTO;
- 4) The amount recognised as issued equity interest in the consolidated financial statements of the Group is computed by adding to the issued equity of the Target Group immediately before the RTO. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination;
- 5) The comparative figures presented in these consolidated financial statements of the Group are those of consolidated financial statements of the Target Group; and
- 6) The consolidated statement of comprehensive income reflects the full 3 months results of the Target Group together with the post acquisition results of the Company.

Following the Completion, the principal business of the Group is that of the Target Group. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in FRS 103.

Separate Financial Statements

Reverse acquisition accounting applies only to the consolidated financial statements.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income statement, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	1Q2017	1Q2016	Change %
	S\$'000	S\$'000	
Revenue	14,885	11,749	26.7
Cost of sales	(7,716)	(6,090)	26.7
Gross profit	<u>7,169</u>	<u>5,659</u>	26.7
Other operating income ¹	1,506	286	426.6
Expenses:			
Marketing and Distribution	(219)	(435)	(49.7)
Operating and Administrative	(1,418)	(788)	79.9
Other operating ²	(313)	(186)	68.3
Finance	(419)	(377)	11.1
	<u>(2,369)</u>	<u>(1,786)</u>	32.6
Profit before income tax ³	6,306	4,159	51.6
Share of loss of equity-accounted investee (net of tax)	(429)	(404)	6.2
Income tax expense	(1,493)	(1,028)	45.2
Net profit for the financial period	<u>4,384</u>	<u>2,727</u>	60.8
Other comprehensive (loss)/income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
-Currency translation differences arising from consolidation	(393)	267	N.m.
Total comprehensive profit for the financial period	<u>3,991</u>	<u>2,994</u>	33.3
Net profit attributable to:			
Equity holders of the Company	2,252	1,049	114.7
Non-controlling interest	<u>2,132</u>	<u>1,678</u>	27.1
	<u>4,384</u>	<u>2,727</u>	60.8
Total comprehensive income attributable to:			
Equity holders of the Company	2,125	744	185.6
Non-controlling interest	<u>1,866</u>	<u>2,250</u>	(17.1)
	<u>3,991</u>	<u>2,994</u>	33.3

N.m: Not meaningful

1(a)(i) Other disclosures to Group Income Statement

	1Q2017 S\$'000	1Q2016 S\$'000
<u>Note 1</u>		
Other operating income comprised:		
Foreign exchange gain	-	255
Gain on acquisition of subsidiaries (negative goodwill)	1,224	-
Gain on disposal of property, plant and equipment	-	-
Government grant	11	-
Interest income	96	14
Reversal of allowance for doubtful debts	-	-
Rental income - external party	30	-
Other income	145	17
	<u>1,506</u>	<u>286</u>
<u>Note 2</u>		
Other operating expenses comprised:		
Foreign exchange loss	4	-
Listing and compliance expenses	35	-
Professional fee	57	102
Legal and professional fee in relation to the Proposed Acquisition	69	-
Auditors' remuneration	45	17
Directors' fees	28	-
Loss on disposal of property, plant and equipment	14	-
Other expenses	61	67
	<u>313</u>	<u>186</u>
<u>Note 3</u>		
Profit before income tax has been arrived at after charging / (crediting):		
Amortisation of intellectual properties	-	-
Depreciation of property, plant and equipment	103	60
Foreign exchange loss/(gain) (net)	4	(255)
Loss on disposal of property, plant and equipment	14	-
Interest expense	419	377
Interest income	(96)	(14)
Reversal of write down of inventories	(78)	-

1 (b) (i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31/03/2017 S\$'000	31/12/2016 S\$'000	31/03/2017 S\$'000	31/12/2016 S\$'000
ASSETS				
Current assets				
Cash and bank balances	13,475	6,412	4,223	10,474
Financial assets, at fair value through profit or loss	5	-	-	-
Trade receivables	11,363	5,559	1,291	725
Other receivables and other current assets	14,057	12,137	262	3,537
Inventories	433	-	-	-
Unbilled receivables	2,524	-	-	-
Deferred costs	2,602	2,997	-	-
Development property	109,036	103,137	-	-
	<u>153,495</u>	<u>130,242</u>	<u>5,776</u>	<u>14,736</u>
Non-current assets				
Investment in subsidiaries	-	-	170,088	-
Deferred costs	260	260	-	-
Property, plant and equipment	292	340	2	3
	<u>552</u>	<u>600</u>	<u>170,090</u>	<u>3</u>
Total assets	154,047	130,842	175,866	14,739
LIABILITIES				
Current liabilities				
Deferred income	-	1,865	-	-
Trade payables	34,117	20,512	-	-
Other payables	11,628	14,986	21,305	2,283
Borrowings	556	4,152	-	-
Current tax liabilities	7,170	5,835	-	-
Advance billings	1,498	-	-	-
Joint Venture	2,213	2,004	-	-
Associates	775	555	-	-
Provision for warranty	2,152	-	-	-
	<u>60,109</u>	<u>49,909</u>	<u>21,305</u>	<u>2,283</u>
Non-current liabilities				
Loans and borrowings	40,281	35,497	-	-
Loans from non-controlling interests	13,247	13,227	-	-
Deferred tax liabilities	1,869	1,807	-	-
	<u>55,397</u>	<u>50,531</u>	<u>-</u>	<u>-</u>
Total liabilities	115,506	100,440	21,305	2,283
NET ASSETS	38,541	30,402	154,561	12,456
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	25,301	17,738	190,555	48,196
Treasury shares	-	-	(513)	(513)
Reserves	3,811	1,689	(35,481)	(35,227)
	<u>29,112</u>	<u>19,427</u>	<u>154,561</u>	<u>12,456</u>
Non-controlling interest	9,429	10,975	-	-
Total equity	38,541	30,402	154,561	12,456

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$556,000	-	S\$4,152,000	-

Amount repayable after one year

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$40,281,000	S\$13,247,000	S\$35,497,000	S\$13,227,000

Details of any collateral

The borrowings are secured as follows:

- fixed deposits of S\$781,000 (31/12/2016: Nil);
- legal mortgage on the Group's development property;
- assignment of all rights and benefits to sale, lease and/or insurance proceeds in respect of the Group's development property; and
- corporate guarantees from a subsidiary and a non-controlling interest.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group	
	1Q2017	1Q2016
	S\$'000	S\$'000
Cash Flow from Operating Activities		
Profit before income tax	5,877	3,755
Adjustments for:		
Amortisation of deferred cost	419	342
Depreciation of property, plant and equipment	103	60
Loss on disposal of property, plant and equipment	14	-
Interest expense	419	377
Interest income	(96)	(14)
Share of losses of equity-accounted investees	429	404
Gain on acquisition of subsidiaries (negative goodwill)	(1,224)	-
Unrealised foreign exchange loss	7	403
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Operating cash flow before working capital changes	5,948	5,327
Movement in working capital		
Changes in development property	(5,336)	(11,066)
Changes in inventories	77	-
Changes in unbilled receivables and advanced billings	(52)	-
Changes in deferred costs	416	300
Changes in deferred income	(4,367)	(1,253)
Changes in trade, other receivables and other current assets	2,580	(2,693)
Changes in trade, other payables and provision for warranty	476	(9,229)
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Cash generated (used in) operations	(258)	(18,614)
Interest received	96	14
Interest paid	(528)	(550)
Income taxes paid	-	(5)
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Net cash (used in) operating activities	(690)	(19,155)
Cash Flows from Investing Activities		
Acquisition of subsidiaries	(8,474)	-
Purchase of property, plant and equipment	-	(1)
Proceeds from disposal of property, plant and equipment	269	-
	<hr/>	<hr/>
Net cash used in investing activities	(8,205)	(1)
Cash Flows from Financing Activities		
Loan/Advance from former holding company (non-trade)	3,240	4,207
Proceeds from bank borrowings	1,342	15,460
Repayment of finance lease liabilities	(12)	(14)
Movement in fixed deposits pledged with banks	4,306	-
Proceeds from conditional placement of shares	8,521	-
	<hr/>	<hr/>
Net cash generated from financing activities	17,397	19,653
Net increase in cash and cash equivalents	8,502	497
Cash and cash equivalents at beginning of financial period	3,995	2,026
Effects of currency translation on cash and cash equivalents	(36)	82
Cash and cash equivalents at end of financial period	<hr/> <hr/>	<hr/> <hr/>
	12,461	2,605
Cash and cash equivalents comprises:		
Cash and bank balances	13,475	5,205
Less: Fixed deposits pledged	(781)	-
Less: Bank overdraft	(233)	(2,600)
Cash and cash equivalents	<hr/> <hr/>	<hr/> <hr/>
	12,461	2,605

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company						Total equity S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Capital reserves S\$'000	Currency translation reserve S\$'000	Total S\$'000	Non-controlling interest S\$'000	
The Group							
Balance at 1 January 2017	17,738	(847)	3,029	(493)	19,427	10,975	30,402
Net profit for the financial period	-	2,252	-	-	2,252	2,132	4,384
Other comprehensive income for the financial period, net of tax:							
Currency translation differences arising from consolidation	-	-	-	(127)	(127)	(266)	(393)
Total comprehensive income/(loss) for the financial period	-	2,252	-	(127)	2,125	1,866	3,991
Transaction with owners, recognised directly in equity:							
Issuance of shares – placement	8,521	-	-	-	8,521	-	8,521
Acquisition of subsidiaries arising from reverse acquisition	(958)	-	-	(3)	(961)	(3,412)	(4,373)
Total transactions with owners of the Company	7,563	-	-	(3)	7,560	(3,412)	4,148
Balance at 31 March 2017	25,301	1,405	3,029	(623)	29,112	9,429	38,541
Balance at 1 January 2016	16,820	(9,798)	3,029	102	10,153	2,662	12,815
Net profit for the financial period	-	1,049	-	-	1,049	1,678	2,727
Other comprehensive income for the financial period, net of tax:							
Currency translation differences arising from consolidation	-	-	-	(305)	(305)	572	267
Total comprehensive income for the financial period	-	1,049	-	(305)	744	2,250	2,994
Transaction with owners, recognised directly in equity:							
Issue of shares	918	-	-	-	918	-	918
Total transaction with owners of the Company	918	-	-	-	918	-	918
Balance at 31 March 2016	17,738	(8,749)	3,029	(203)	11,815	4,912	16,727

	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share options reserve S\$'000	Other reserves S\$'000	Total S\$'000
The Company						
Balance at 1 January 2017	48,196	(513)	(33,828)	71	(1,470)	12,456
Net loss for the financial period	-	-	(254)	-	-	(254)
Other comprehensive income/(loss) for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(254)	-	-	(254)
Increase in share capital	142,359	-	-	-	-	142,359
Reversal of employee share options	-	-	13	(13)	-	-
Balance at 31 March 2017	190,555	(513)	(34,069)	58	(1,470)	154,561
Balance at 1 January 2016	48,196	(104)	(25,417)	194	(1,470)	21,399
Net profit for the financial period	-	-	53	-	-	53
Other comprehensive income/(loss) for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	53	-	-	53
Purchase of treasury shares	-	(332)	-	-	-	(332)
Balance at 31 March 2016	48,196	(436)	(25,364)	194	(1,470)	21,120

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a day that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(i) Share capital

	31/03/2017		31/12/2016	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Issued and fully paid ordinary shares	477,961,278	190,864	15,782,926	48,196

(ii) Share capital excluding treasury shares

	Number of ordinary shares	S\$'000
At 1 January 2017	14,891,126	47,683
Issue of placement shares	11,037,500	8,830
Issue of consideration shares	132,500,000	133,838
	<u>158,428,626</u>	<u>190,351</u>
Share split on the basis of every 1 share into 3 shares	<u>475,285,878</u>	<u>190,351</u>
As at 31 March 2017	<u>475,285,878</u>	<u>190,351</u>

As at 31 March 2017, the Company held 2,675,400 treasury shares (after the share split on the basis of every 1 share into 3 shares. (31 December 2016: 891,800 treasury shares, before the share split).

(iii) Share options

As at 31 March 2017, the unissued shares of the Company under option are as follows:

Date of grant of options	Exercise price per share before share split	Exercise price per share after share split	Balance as at 1/1/2017	Granted/ Forfeited during the period	Balance before share split	Balance as at 31/3/2017 after share split	Balance as at 31/3/2016	Exercise period
4.3.2014	S\$1.75	S\$0.583	<u>126,400</u>	(24,000)	102,400	307,200	<u>350,800</u>	3.3.15 to 2.3.19

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of shares		
	31/03/2017	31/03/2016	31/12/2016
Total number of issued shares	477,961,278	15,782,926	15,782,926
Treasury shares	2,675,400	762,300	891,500
Total number of issued shares excluding treasury shares	475,285,878	15,020,626	14,891,126
% of treasury shares over total number of issued shares	0.6%	4.8%	5.6%

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company held 2,675,400 treasury shares (after share split on the basis of every 1 share into 3) as at 31 March 2017. There were no sales, transfers, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at as at the end of the current financial period reported on.

Not applicable. The Company does not have subsidiary holdings.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied by the Group in the financial statements for the current reporting period are consistent with those applied in the Company's audited financial statements for the financial year ended 31 December 2016 except that the Group has early adopted **FRS 115 Revenue from Contracts with Customers**.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The early adoption of **FRS 115 Revenue from Contracts with Customers** for the Non-Property Division after the Completion did not have a significant impact on the financial performance or position of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	1Q2017	1Q2016
Profit per share for the period after deducting any provision for preference dividends (cents)		
(a) Based on weighted average number of ordinary shares in issue	0.71	0.70
(b) On a fully diluted basis*	0.71	0.70

Profit per share for the financial period ended 31 March 2017 was computed based on the net profit attributable to equity holders of the Company of S\$2,252,000 (31/3/2016: S\$1,049,000) and divided by the weighted average number of shares in issue after share consolidation and excluding treasury shares as follows:

	The Group	
	1Q2017	1Q2016
Weighted average number of ordinary shares		
(a) Based on weighted average number of ordinary shares in issue; and	316,857,252	150,227,396
(b) On fully diluted basis*	316,857,252	150,227,396

*The exercise price of the share options of the Company are above the quoted market price of the Company's shares for both periods and therefore the options are non-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	The Group		The Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Net asset backing per ordinary share based on existing issued share capital as at the end of the period/year (cents)	6.13	12.26	32.52	83.65

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The unaudited financial results of the Group for 1Q2017 set out in this announcement include both the Non-Property Division and the Property Division upon the Completion, as compared to the unaudited financial results of the Target Group for 1Q2016 prior to the RTO which includes only the Property Division. As such, a comparison of performance between 1Q2017 and 1Q2016; is not meaningful.

Statement of Comprehensive Income

The Group's revenue increased by S\$3.2 million or 26.7% from S\$11.7 million in 1Q2016 to S\$14.9 million in 1Q2017. The Group's cost of sales correspondingly increased by S\$1.6 million or 26.7% from S\$6.1 million in 1Q2016 to S\$7.7 million in 1Q2017.

The increase in revenue and cost of sales is due mainly to contribution of revenue and cost of sales from the Non-Property Division amounting to S\$0.8 million and S\$0.6 million respectively in 1Q2017 subsequent to the Completion and due to increased revenue recognised on the increased of the additional units sold from the property division in no. of units sold after 1Q2016 to 1Q2017.

The Group's expenses increased by S\$0.6 million to S\$2.4 million in 1Q2017 from S\$1.8 million in 1Q2016 mainly due to the inclusion of the Non-Property Division's and the operating and administrative expenses upon the Completion. The increase in other operating expense by S\$0.2 million in 1Q2017 as compared to 1Q2016 was mainly due to professional fees incurred in relation to the RTO of S\$ 69,000, listing and compliance expenses of S\$35,000 and other professional fees of S\$57,000.

There was a share of losses from equity-accounted investee mainly due to recognition of losses in the Group's investment in Thailand where the revenue from the sales of property is recognised upon delivery of the property after development. The share of losses recognised is the Group's share of the operating costs charged to profit and loss for the period. The share of losses from equity-accounted associates and joint ventures was contributed mainly by the Property Division.

The Group recorded a net profit after tax of S\$4.4 million in 1Q2017 compared to S\$2.7 million in 1Q2016 mainly due to the higher revenue recognised for the Property Division's Puteri Cove Residences & Quayside project in Iskandar, Malaysia.

Statement of Financial Position

The current assets of the Group increased by S\$23.3 million to S\$153.5 million as at 31 March 2017 from S\$130.2 million as at 31 December 2016. The increase was due to the inclusion of the current assets of the Non-Property Division upon the Completion by S\$14.0 million of which it includes trade and other receivables of S\$7.09 million and cash and bank balances of S\$6.0 million and increase in current assets of the Property Division, mainly due to an increase of S\$5.9 million in development property.

The non-current liabilities of the Group increased by S\$4.9 million to S\$55.4 million as at 31 March 2017 from S\$50.5 million as at 31 December 2016. The increase was mainly due to Property Division's further drawn down from bridging loan and fixed loan and additional unwinding of implicit interest component of loans from non-controlling interests. This has been offset by repayments made during 1Q2017.

The current liabilities of the Group increased by S\$10.2 million to S\$60.1 million as at 31 March 2017 from S\$49.9 million as at 31 December 2016 mainly due to the inclusion of the current liabilities of the Non-Property Division including advance billings of approximately S\$1.5 million and provision for warranty of approximately S\$2.2 million from the Aluminum sub-division and the increase in tax liabilities of the Property Division of approximately S\$1.3 million.

Cash Flow Statement

The Group's 1Q2017 net cash used in operating activities of S\$0.7 million increased from net cash used in operating activities for 1Q2016 of S\$19.2 million by approximately S\$18.5 million. This increase arose from the Property Division, due to higher operating cash flows generated and lower change in development property as compared to 1Q2016. Further increasing the net cash generated from operating activities was the inclusion of net cash generated from operating activities of the Non-Property Division amounting to approximately S\$1.0 million upon the Completion.

The Group's increase in cash used in investing activities in 1Q2017 of S\$8.2 million was mainly due to the cash consideration of S\$16.0 million paid in relation to the RTO, offset by the cash and cash equivalents acquired through the RTO of S\$7.5 million and proceeds from the disposal of property, plant and equipment of S\$0.3 million.

The Group's cash generated from financing activities for 1Q2017 of S\$17.4 million was mainly due to (i) the net proceeds from the conditional placement of shares of approximately S\$8.5 million, (ii) withdrawal of the fixed deposits of S\$4.3 million to pay for the cash consideration upon the Completion, (iii) drawdown of bank loan of S\$1.3 million for the payment for the construction of Puteri Cove and (iv) drawdown of the loan from former holding company of S\$3.2 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

After the Completion, the Group now comprises of the Property Division and the Non-Property Division.

Property Division

The Property Division will seek to continue to tap on its network of relationships with leading real estate players and investors throughout ASEAN to expand its business.

In Iskandar Malaysia, the Group expects demand for new property development projects to trend upwards, due to, amongst others, increased demand for high-quality housing, the construction of the upcoming Kuala Lumpur-Singapore high speed rail and Johor Bahru-Singapore Rapid Transit System. This would be subject to market conditions in the property development industry, as well as the economic performance of Iskandar Malaysia.

In Bangkok, Thailand, the Group expects that condominiums near mass rapid transit stations will continue to attract buyers, resulting in higher pre-sale absorption rates in these projects relative to those projects located further from a mass rapid transit station. The expected construction of new mass rapid transit routes could generate significant turnover in the land sales market, leading to higher land prices resulting in increasing condominium prices across the market.

Non-Property Division

The industry in which the Aluminum Division operates is closely correlated to the overall conditions of the building construction industry. As the building construction industry slows down, the operating environment for the Aluminum Division is expected to remain challenging because of keen competition.

The Company had on 8 May 2017 entered into a sale and purchase agreement to dispose all of its shareholding in Autotrax International Pte. Ltd.. Upon completion of this disposal, the Vehicle Division will cease to be a subsidiary of the Group. Further updates will be provided in respect of the abovementioned disposal in due course.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediate preceding year

Any dividend declared for the corresponding period of the immediate preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There was no interested person transaction conducted under the shareholders' mandate obtained at the annual general meeting of the Company held on 26 April 2016 pursuant to Rule 920 for the financial period ended 31 March 2017.

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 and Half Year Results)

14. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers under Rule 720(1).

15. Confirmation by the board pursuant to Rule 705(5) of the listing manual.

I, Glen Chan, being a director of Pacific Star Development Limited (the "**Company**"), do hereby confirm on behalf of the directors of the Company, that, to the best of my knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Company and of the Group for the three months ended 31 March 2017 to be materially false or misleading.

**On behalf of the Board of Directors of
PACIFIC STAR DEVELOPMENT LIMITED**

**Glen Chan
CEO and Managing Director**

Singapore, 9 November 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by 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. Sebastian Jones, SAC Capital Private Limited at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. Telephone number: +65 6532 3829.