

Press Release

For Immediate release

Pacific Star Development's net profit surges 20% to S\$5.4 million for 3Q2017 and 39% to S\$14.5 million for 9M2017, excluding net loss from discontinued operations

- *Revenue increases 26% to S\$20.3 million for 3Q2017 and 27% to S\$53.2 million for 9M2017, due mainly to higher sales and progressive completion from Puteri Cove Residences & Quayside (the "Puteri Cove Project")*
- *Gross profit jumps 20% to S\$10.0 million for 3Q2017 and 25% to S\$25.7 million for 9M2017*
- *With favourable macroeconomic conditions in place, the Group remains optimistic on the ASEAN property markets as it makes headway in its expansion plans, forging strategic partnerships with DAMAC International and other investor groups to develop prime and luxury properties in this region*

SINGAPORE, 9 November 2017 – Pacific Star Development Limited ("PSD" or the "Company", and together with its subsidiaries, the "Group"), an ASEAN real estate developer listed on the Singapore Exchange, reported net profit of S\$14.5 million for the nine months ended 30 September 2017 ("9M2017"), excluding the net loss from discontinued operations. The Group's performance was well-supported by its Property Division which has driven the majority of the sales and profit for 9M2017.

The Group's revenue of S\$20.3 million for the third quarter ended 30 September 2017 ("3Q2017") and S\$53.2 million for 9M2017 were mainly attributed to the Property Division from sales of the multi award-winning mixed-use development, Puteri Cove Project in Iskandar Puteri, Malaysia. The Non-Property Division contributed S\$27,000 for 3Q2017 and S\$1.92 million for 9M2017.

The Group recorded gross profit of S\$10.0 million for 3Q2017 and S\$25.7 million for 9M2017, with gross profit margins of approximately 50% and 48% respectively.

The Group's total operating expenses¹ increased by 6% to S\$1.6 million for 3Q2017 and 31% to S\$5.7 million for 9M2017. This was due to the inclusion of the Non-Property Division's operating and

¹Total operating expenses comprise (i) marketing and distribution, and (ii) operating and administrative expenses

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administrative expenses upon the completion of the RTO (the “Completion”) and in line with the increase in revenue from the Property Division, offset partially by the capitalisation of agent’s commission.

As of 25 May 2017, the Vehicle Sub-Division ceased to be a subsidiary of the Group and the Group will continue to evaluate how best to optimise operations of the Aluminium Division. Following the completion of the disposal, the Vehicle Sub-Division has been classified as ‘Discontinued Operations’ for 3Q2017 and 9M2017.

Overall, the Group recorded a strong increase in net profit of 20% to S\$5.4 million for 3Q2017 and 39% to S\$14.5 million (excluding net loss from discontinued operations) for 9M2017. Net profit attributable to equity holders stood at S\$2.2 million and S\$4.0 million for 3Q2017 and 9M2017 respectively.

Commenting on the results, **Mr Glen Chan, CEO and Managing Director of PSD** said, “We have achieved a respectable set of results and remain optimistic that the improving market sentiment will support demand growth for our two existing projects in Iskandar Puteri, Malaysia and Bangkok, Thailand.

In the last quarter, we have made great headway in our aim to widen our geographical footprint in ASEAN through partnerships and strategic collaborations. In doing so, we have formed a pipeline of expansion opportunities in new and existing markets, aligning ourselves with Asia’s growth trajectory and positioning PSD positively to capitalise on the uptrends.

We observe an increase in infrastructure investment and urbanisation in key ASEAN gateway cities, underpinned by favourable macroeconomic catalysts such as the Belt and Road initiative and the Regional Comprehensive Economic Partnership. Such upsurge in economic and business activities will likely stimulate broad base demand from property investors and tenants, especially for well conceptualised integrated projects in prime locations. Thus, we will seek to expand our customer network and increase our development projects as a premium developer in this region.”

In 3Q2017, the Group entered into a Memorandum of Understanding with PT Kukuh Mandiri Lestari to jointly develop mixed-use high-rise developments on 10 hectares of prime sea-front land in Pantai Indah Kapuk 2 in North Jakarta, Indonesia. The Group also entered into a strategic partnership via a

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framework agreement with DAMAC International, a leading property developer in the Middle East, to develop luxury properties in key cities across Southeast Asia over the next five years.

This press release should be read in conjunction with the Company's 3Q2017 and 9M2017 results announcement released on 9 November 2017.

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About Pacific Star Development Limited (PSD)

Pacific Star Development Limited is an ASEAN developer listed on the Singapore Exchange. With over a decade in real estate investment management and development experience, the property division of the Company has acquired both an extensive regional network as well as a solid background in development management, counting among its past investments the highly successful mixed-use project Pavilion in Kuala Lumpur. The Group has previously invested in and completed two residential projects in key prime locations in Bangkok and two in Kuala Lumpur. Currently, the Group has two projects on hand, the award-winning Puteri Cove Residences and Quayside in Malaysia, and a joint-venture development in Thailand, The Posh Twelve.

For more information, please visit www.pacificstar-dev.com

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