PACIFIC STAR DEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
Business Reg. No: 198203779D
(the "**Company**")

Unaudited Condensed Interim Financial Statements For The Three-Month Financial Period Ended 31 March 2023

The Company is required to continue to do Quarterly Reporting ("**QR**") in view of the disclaimer opinion issued by our auditors in the Company's latest annual report for the financial year ended 30 June 2022 ("**FY2022**"). This QR announcement is mandatory, made pursuant to the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") requirements as required under Listing Rule 705(2C) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

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Pacific Star Development Limited and its Subsidiaries

Consolidated Statement Of Comprehensive Income
For the three-month financial period ended 31 March 2023

		The Group			
		Three months ended		Nine months ended	
	Note	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
		$'000	$'000	$'000	$'000
Revenue	4	2,187	261	4,769	2,405
Cost of sales		(1,754)	(247)	(4,063)	(2,381)
Gross profit		**433**	**14**	**706**	**24**
Other operating income	5	107	78	361	280
Expenses:					
Administrative		(2,766)	(1,713)	(7,416)	(5,018)
Other expenses		-	(24)	-	(24)
Finance costs	6	(13,315)	(10,414)	(38,209)	(30,616)
Share of results of joint venture	7	-	-	-	(98)
Share of results of associate	7	(2)	(30)	(20)	(43)
Loss before tax	8	**(15,543)**	**(12,089)**	**(44,578)**	**(35,495)**
Income tax expense		-	-	-	-
Net loss for the financial period		**(15,543)**	**(12,089)**	**(44,578)**	**(35,495)**
Other comprehensive income, net of tax:					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences arising from:					
- consolidation		284	43	792	39
Total comprehensive loss for the financial period		**(15,259)**	**(12,046)**	**(43,786)**	**(35,456)**
Net loss attributable to:					
Owners of the Company		**(15,543)**	**(12,089)**	**(44,578)**	**(35,495)**
Total comprehensive loss attributable to:					
Owners of the Company		**(15,259)**	**(12,046)**	**(43,786)**	**(35,456)**
Earnings per share		**Singapore cents per share**	**Singapore cents per share**	**Singapore cents per share**	**Singapore cents per share**
Loss for the financial period attributable to owners of the Company					
Basic and diluted	9	**(3.11)**	**(2.42)**	**(8.92)**	**(7.10)**

Pacific Star Development Limited and its Subsidiaries

Balance Sheets
As at 31 March 2023

	Note	The Group		The Company	
		31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
		$'000	$'000	$'000	$'000
Non-current assets					
Investments in subsidiaries		-	-	-	-
Property, plant and equipment		24	28	-	-
Deferred costs		-	75	-	-
Other receivables	**10**	-	-	-	3,345
Total non-current assets		24	103	-	3,345
Current assets					
Deferred costs		546	406	-	-
Development properties	**11**	113,224	122,684	-	-
Trade receivables		1,237	667	-	-
Other receivables and other current assets	**10**	275	412	3,361	24
Cash at bank		3,100	1,710	9	34
Restricted cash	**12**	3,762	2,602	-	-
Total current assets		122,144	128,481	3,370	58
Total assets		**122,168**	**128,584**	**3,370**	**3,403**
Non-current liabilities					
Loans and borrowings	**13**	-	230,173	-	4,398
Other payables	**14**	343	3,187	-	15,324
Total non-current liabilities		343	233,360	-	19,722
Current liabilities					
Loans and borrowings	**13**	270,663	2,525	4,549	-
Trade payables		7,493	9,115	-	-
Other payables	**14**	13,575	11,917	16,620	551
Deferred income	**15**	3,261	1	-	-
Current tax liabilities		-	1,047	-	-
Total current liabilities		294,992	24,605	21,169	551
Total liabilities		**295,335**	**257,965**	**21,169**	**20,273**
Net liabilities		**(173,167)**	**(129,381)**	**(17,799)**	**(16,870)**
Capital and reserves attributable to owners of the Company					
Share capital	**16**	47,801	47,801	197,055	197,055
Treasury shares	**17**	-	-	(513)	(513)
Accumulated losses		(223,201)	(178,623)	(214,341)	(213,412)
Foreign currency translation reserve		2,233	1,441	-	-
Capital deficiency attributable to owners of the Company		**(173,167)**	**(129,381)**	**(17,799)**	**(16,870)**
Net liabilities per share (Singapore cents per share)	**18**	**(34.66)**	**(25.89)**	**(3.56)**	**(3.38)**

Pacific Star Development Limited and its Subsidiaries

Statements of Changes In Equity
For the nine-month financial period ended 31 March 2023

	Attributable to owners of the Company			
	Share capital	**Accumulated losses**	**Foreign currency translation reserve**	**Total capital deficiency**
	$'000	**$'000**	**$'000**	**$'000**
The Group				
Balance as at 1 July 2021	**47,801**	**(128,318)**	**1,215**	**(79,302)**
Net loss for the financial period	-	(6,628)	-	(6,628)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	(17)	(17)
Total comprehensive loss for the financial period	-	(6,628)	(17)	(6,645)
Balance as at 30 September 2021	**47,801**	**(134,946)**	**1,198**	**(85,947)**
Net loss for the financial period	-	(16,778)	-	(16,778)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	13	13
Total comprehensive loss for the financial period	-	(16,778)	13	(16,765)
Balance as at 31 December 2021	**47,801**	**(151,724)**	**1,211**	**(102,712)**
Net loss for the financial period	-	(12,089)	-	(12,089)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	43	43
Total comprehensive loss for the financial period	-	(12,089)	43	(12,046)
Balance as at 31 March 2022	**47,801**	**(163,813)**	**1,254**	**(114,758)**
Net loss for the financial period	-	(14,810)	-	(14,810)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	187	187
Total comprehensive loss for the financial period	-	(14,810)	187	(14,623)
Balance as at 30 June 2022	**47,801**	**(178,623)**	**1,441**	**(129,381)**
Balance as at 1 July 2022 - unaudited as previously reported	**47,801**	**(178,577)**	**1,440**	**(129,336)**
Effects of finalisation of audit for the financial year ended 30 June 2022	**-**	**(46)**	**1**	**(45)**
Balance as at 1 July 2022 - audited	**47,801**	**(178,623)**	**1,441**	**(129,381)**
Net loss for the financial period	-	(15,016)	-	(15,016)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	290	290
Total comprehensive loss for the financial period	-	(15,016)	290	(14,726)
Balance as at 30 September 2022	**47,801**	**(193,639)**	**1,731**	**(144,107)**
Net loss for the financial period	-	(14,019)	-	(14,019)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	218	218
Total comprehensive loss for the financial period	-	(14,019)	218	(13,801)
Balance as at 31 December 2022	**47,801**	**(207,658)**	**1,949**	**(157,908)**
Net loss for the financial period	-	(15,543)	-	(15,543)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	284	284
Total comprehensive loss for the financial period	-	(15,543)	284	(15,259)
Balance as at 31 March 2023	**47,801**	**(223,201)**	**2,233**	**(173,167)**

Statements of Changes In Equity
For the nine-month financial period ended 31 March 2023

	Attributable to owners of the Company			
	Share capital	Treasury shares	Accumulated losses	Total capital deficiency
	$'000	$'000	$'000	$'000
The Company				
Balance as at 1 July 2021	**197,055**	**(513)**	**(212,091)**	**(15,549)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(265)	(265)
Balance as at 30 September 2021	**197,055**	**(513)**	**(212,356)**	**(15,814)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(279)	(279)
Balance as at 31 December 2021	**197,055**	**(513)**	**(212,635)**	**(16,093)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(431)	(431)
Balance as at 31 March 2022	**197,055**	**(513)**	**(213,066)**	**(16,524)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(346)	(346)
Balance as at 30 June 2022	**197,055**	**(513)**	**(213,412)**	**(16,870)**
Balance as at 1 July 2022	**197,055**	**(513)**	**(213,412)**	**(16,870)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(315)	(315)
Balance as at 30 September 2022	**197,055**	**(513)**	**(213,727)**	**(17,185)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(309)	(309)
Balance as at 31 December 2022	**197,055**	**(513)**	**(214,036)**	**(17,494)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(305)	(305)
Balance as at 31 March 2023	**197,055**	**(513)**	**(214,341)**	**(17,799)**

Consolidated Cash Flow Statement
For the nine-month financial period ended 31 March 2023

		The Group			
	Note	Three months ended		Nine-month ended	
		31-Mar-23 $'000	31-Mar-22 $'000	31-Mar-23 $'000	31-Mar-22 $'000
Cash flows from operating activities					
Loss before income tax		(15,543)	(12,089)	(44,578)	(35,495)
Adjustments for:					
Finance costs		13,315	10,414	38,209	30,616
Amortisation of deferred costs		51	70	168	207
Share of results of associate		2	30	20	43
Depreciation of property, plant and equipment		3	5	9	20
Remission of Goods and Services Tax ("**GST**") clawback and penalties payable		1	(44)	(149)	(44)
Forfeiture income		(5)	-	(9)	(4)
Depreciation of right-of-use assets		-	35	-	155
Loss on disposal of property, plant and equipment		-	16	-	14
Provision for expected credit losses on trade receivables		-	10	-	10
Amortisation of deferred income		-	4	-	(30)
Others		-	(2)	-	(10)
Share of results of joint venture		-	-	-	98
Interest income		-	-	-	(61)
Operating cash flow before working capital changes		(2,176)	(1,551)	(6,330)	(4,481)
Movement in working capital:					
Changes in development properties		1,553	76	3,643	1,115
Changes in trade and other payables		1,203	(4)	360	(16,947)
Changes in trade, other receivables and other current assets		(328)	101	(810)	288
Changes in deferred costs		-	-	-	(64)
Effects of currency translation on working capital		1,342	614	5,172	633
Cash flows generate from/(used in) operations		1,594	(764)	2,035	(19,456)
Income tax paid		(116)	(97)	(1,016)	(4,542)
Finance costs paid		(97)	(424)	(182)	(1,643)
Interest income received		-	-	-	61
Net cash generated from/(used in) operating activities		**1,381**	**(1,285)**	**837**	**(25,580)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(3)	-	(5)	(5)
Funding to associate		(2)	(30)	(20)	(43)
Proceeds from disposal of property, plant and equipment		-	(1)	-	2
Funding to joint venture		-	-	-	(98)
Net cash used in investing activities		**(5)**	**(31)**	**(25)**	**(144)**
Cash flows from financing activities					
Proceeds from loans from a group of lenders		4,000	452	4,000	32,000
Movement in restricted cash		(3,232)	(29)	(3,260)	(5,315)
Proceeds from loan from a related party		-	500	-	500
Repayment of bank loan		-	(406)	-	(574)
Repayment of lease liabilities		-	(38)	-	(182)
Net cash generated from financing activities		**768**	**479**	**740**	**26,429**
Net increase/(decrease) in cash and cash equivalents		**2,144**	**(837)**	**1,552**	**705**
Effect of currency translation on cash and cash equivalents		(19)	(11)	(57)	(15)
Cash and cash equivalents at the beginning of financial period		(1,445)	(887)	(815)	(2,425)
Cash and cash equivalents at the end of financial period	**19**	**680**	**(1,735)**	**680**	**(1,735)**

1. Corporate information

Pacific Star Development Limited (Company Reg. No.: 198203779D) (the "**Company**") is a public limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The trading of the Company's shares on SGX-ST has been voluntarily suspended since 24 March 2020.

The registered office and the principal place of business of the Company is located at 2 Venture Drive, #24-01 Vision Exchange, Singapore 608526.

The principal activity of the Company is investment holding. The principal activity of the Group's principal subsidiary, Pearl Discovery Development Sdn. Bhd. ("**PDD**"), is that of a real estate developer for a mixed-used development known as Puteri Cove Residences and Quayside ("**PCR**") located at Iskandar Puteri, Johor, Malaysia ("**Iskandar**").

2. Basis of preparation

The condensed interim financial statements for the three-month financial period ended 31 March 2023 ("**3QFY2023**") (the "**Financial Statements**") have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the financial position and performance of the Company and its subsidiaries (collectively the "**Group**") since the last interim financial statements for the three months ended 31 December 2022 ("**2QFY2023**").

The accounting policies adopted are consistent with those of the previous financial year ended 30 June 2022 ("**FY2022**") which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The Financial Statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000), except where otherwise indicated.

2.1 Going concern assumption

The Group's results for 3QFY2023 and the nine-month financial period ended 31 March 2023 ("**9MFY2023**") were adversely affected by the weak property market in Iskandar and high finance costs. The Group incurred a net loss of $15,543,000 and $44,578,000 for 3QFY2023 and 9MFY2023 respectively. As at 31 March 2023, the Group's capital deficiency amounted to $173,167,000 and the Group's loans and borrowings amounted to $270,663,000, all of which were classified as current liabilities. The Group's current assets of $122,144,000 mainly comprise development properties amounting to $113,224,000 as at 31 March 2023.

The Company incurred a net loss of $305,000 and $929,000 for 3QFY2023 and 9MFY2023 respectively. As at 31 March 2023, the Company's current liabilities exceeded its current assets by $17,799,000, its capital deficiency amounted to $17,799,000 and the Company's loans and borrowings of $4,549,000 are due within the next twelve (12) months.

The above factors and the challenging property market conditions in Iskandar could adversely impact the sale of the Group's development properties and give rise to material uncertainties on the abilities of the Group and Company to continue as going concerns.

2. Basis of preparation (cont'd)

2.1 Going concern assumption (cont'd)

In the assessment of going concern, the Board of Directors of the Company (the "**Board**") has considered the following factors:

The ability of the Company to operate as a going concern is dependent on:

(i) the effects of the Delisting Notice (as defined in Note 22(a)) on the ability of the Company to continue as a going concern;

(ii) the effects of the Non-Compliance Of LTV (as defined and described Note 13(g)) on the ability of the Company to continue as a going concern;

(iii) its ability to obtain financing to repay $4,549,000 of loans and borrowings due in October 2023, and/or seek extensions of the maturity date of such loans and borrowings due in October 2023, which is curtailed by the Delisting Notice (as defined in Note 22(a));

(iv) the sale of the Group's unsold units at PCR and the timely repatriation of such profits;

(v) the Company's cash flow requirements for the next twelve (12) months; and

(vi) the going concern of the Group.

In the assessment of Group's going concern, the Board has considered the following factors:

(i) the effects of the Delisting Notice (as defined in Note 22(a)) on the ability of the Group to continue as a going concern;

(ii) Facility A (as defined in Note 13(c)), Loans From Lenders (as defined in Note 13(b)), CH Biovest Loan II (as defined in Note 13(e)) and Other Third Parties Loans (as defined in Note 13(f)) are due in October 2023;

(iii) the effects of the Non-Compliance Of LTV (as defined and described Note 13(g)) on the ability of the Group to continue as a going concern;

(iv) the Russia-Ukraine war, global supply chain disruptions, inflationary pressure and recent significant interest rate hikes; and

(v) the Group's cash flow requirements for the next twelve (12) months.

The Board considered the above and concluded that:

(a) the Delisting Notice (as defined in Note 22(a)) on the abilities of the Group and the Company to continue as going concerns;

(b) bulk sale(s) of unsold PCR units need to occur in a timely manner and in sufficient quantity so as to be able to provide adequate cash flow for the Group's repayments of such loans and borrowings due in October 2023; and/or the Group needs to seek extension of the maturity date of the loans and borrowing due in October 2023;

(c) the effects of the Non-Compliance Of LTV (as defined and described Note 13(g)), which the Group has not been able to obtain a waiver, will have implications on its effort to raise funds;

(d) the improvement in business sentiment and economic recovery are still at a nascent stage;

(e) the sale of units in PCR to individual buyers has not recovered to pre-COVID-19 levels;

(f) currently, although the World Health Organisation (the "**WHO**") has declared that COVID-19 no longer represents a global health emergency, infection waves continue to occur from time to time which can still adversely affect general business conditions; and

(g) there are increased macroeconomic concerns with the ongoing Russia-Ukraine war, global inflation worries, interest rate hikes and supply chain disruptions which could weigh down on any post-COVID-19 recovery.

2. Basis of preparation (cont'd)

2.1 Going concern assumption (cont'd)

Based on current circumstances, there is uncertainty as to whether the Group and the Company are able to meet their contractual obligations in the next twelve (12) months as and when they fall due. Consequently, there is uncertainty as to their respective abilities to operate as going concerns for the next twelve (12) months. Notwithstanding the above, the Board has assessed and is of the view that it is appropriate that the Financial Statements of the Group and Company be prepared on a going concern basis.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively (collectively referred to herein as the "**Adjustments**").

Presently, due to the uncertainties involved, management is unable to quantify the Adjustments (if any are required). Hence, no adjustments have been made to the balances presented in the balance sheets of the Group and Company to account for the Adjustments.

Shareholders and potential investors are advised to exercise caution in dealing of shares in the Company, in particular the effects of the Delisting Notice (as defined in Note 22(a)). The Company will make further announcements as appropriate or when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

2.2 Changes in accounting policies

The Group has adopted the new accounting standards, amendments and interpretations of existing standards which are mandatory for accounting periods beginning on or after 1 July 2022. The adoption of the new accounting standards, amendments and interpretations of the existing standards did not have any material impact on the Group's results.

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Financial Statements in conformity with SFRS(I)s requires management to make certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for FY2022.

The estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revision to accounting estimates is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are described in Note 3.1.

3.1 Critical judgments in applying accounting policies

Significant judgments made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Presentation of financial statements on a going concern basis

Presently, due to the uncertainties involved, management is unable to quantify the Adjustments (if any are required). Hence, no adjustments have been made to the balances presented in the balance sheets of the Group and Company to account for the Adjustments.

In the event of a liquidation scenario or the Lenders (as defined in Note 13(b)) and/or the Bank (as defined in Note 13(b)) enforce its/their securities provided by the Group on the Loans From Lenders and/or Facility A respectively, Adjustments will be required which could result in a material adjustment to the carrying amounts of assets and liabilities currently presented in the balance sheets.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such evidence or indication exists, based on the evaluation of both internal and external sources of information. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Based on management's assessment, other than the impairment of investment in subsidiaries and development properties that were already made in prior years, considering the effects of the Delisting Notice (as defined in Note 22(a)), it is not possible to determine if impairment of other non-financial assets will be required.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Estimation of net realisable value for development properties

Development properties are stated at the lower of cost or Net Realisable Value ("**NRV**"). NRV is assessed with reference to the estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions or indicative offers. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration estimated budget and work to be done.

The Group's carrying value of development properties as at 31 March 2023 is $113,224,000 (30 June 2022: $122,684,000).

(b) Estimation of the recoverable value of the Company's investments in subsidiaries

An estimate of the projected cash flow from the Company's investment in subsidiaries is made when there is indication that impairment exists. The projected cash flow is based on assumptions, including amongst others, the expected performance, the materialisation of the business plans and macroeconomic environment that are beyond the control of management, which are inherently subjected to uncertainties. The recoverable value of the Company's investments in subsidiaries represents management's best estimate as at the end of the reporting period.

The Company's investments in subsidiaries have been fully impaired as at 31 March 2023 and 30 June 2022.

4. Revenue

The Group's revenue pertains to the proceeds received, net of any incentives provided, from the sale of development properties.

4.1 Seasonal operations

The Group's business was not affected significantly by seasonal or cyclical factors during 3QFY2023 and 9MFY2023.

5. Other operating income

	The Group			
	3QFY2023	3QFY2022	9MFY2023	9MFY2022
	$'000	$'000	$'000	$'000
Others	68	14	133	70
Rental income	35	26	70	71
Forfeiture income	5	-	9	4
Interest income	-	-	-	61
Government grants	-	(4)	-	30
Loss on disposal of property, plant and equipment	-	(2)	-	-
Remission of GST clawback and penalties payable	(1)	44	149	44
	107	78	361	280

6. Finance costs

	The Group			
	3QFY2023	3QFY2022	9MFY2023	9MFY2022
	$'000	$'000	$'000	$'000
Interest expense for loans from a group of lenders	12,340	9,701	35,456	27,166
Loan from a bank:				
- interest expense	631	548	1,855	1,742
- amortisation of transactional costs	97	53	292	308
Interest expense for:				
- loans from a related party	72	45	211	112
- bank overdraft and late interest payment	45	44	139	131
- contractors, creditors and an affiliate of the group of lenders	105	13	184	1,122
- loans from third parties	25	9	72	30
- lease liabilities	-	1	-	5
	13,315	10,414	38,209	30,616

7. Share of results of joint venture/associate

Associate relates to the Group's 49% equity interest in Pacific Star Development (Thailand) Co., Ltd. ("**PSDT**") which is held by a wholly-owned subsidiary of the Company.

Joint venture relates to the Group's 51% equity interest in Minaret Holdings Limited ("**Minaret**") which is held by a wholly-owned subsidiary of the Company. As Minaret is subject to joint control with the other joint venture partner under contractual agreement and requires unanimous consent for all major decisions over the relevant activities, it is treated as a joint venture instead of a subsidiary.

The purpose of investments in joint venture and associate was to hold Kanokkorn Pattana Co., Ltd. ("**KNK**"), the developer of the project in Bangkok, Thailand, known as The Posh Twelve ("**P12**").

On 23 June 2020, the Company announced that pursuant to a strategic review, Minaret had initiated bankruptcy proceedings against KNK by recalling the loans made by Minaret to KNK (the "**KNK Bankruptcy**"). On 17 May 2021, the Company announced that on 14 May 2021, the Thai Bankruptcy Court has granted an absolute receivership order for KNK. Subsequently, the Thai Department of Legal Execution assigned an official receiver for KNK and arranged for the receivership order to be published in the Royal Gazette of Thailand. The KNK Bankruptcy is still on-going as at the date of this set of Financial Statements.

7. Share of results of joint venture/associate (cont'd)

Subsequent to the KNK Bankruptcy, the constructive obligations to continue funding the P12 project through the associate and joint venture have ceased.

During 3QFY2023 and 9MFY2023, the share of results of associate relates to the funding provided by the Group to the maintenance of the live status of the associate.

During the three-month and nine-month financial period ended 31 March 2022 ("**3QFY2022**" and "**9MFY2022**" respectively), the share of results of joint venture and associate relate to the funding provided by the Group in relation to the KNK Bankruptcy matters and to maintain the live status of the associate respectively.

8. Loss before tax

	The Group			
	3QFY2023 $'000	**3QFY2022 $'000**	**9MFY2023 $'000**	**9MFY2022 $'000**
Loss before tax has been arrived at after charging/(crediting):				
Foreign exchange net loss	1,132	470	3,847	704
Amortisation of deferred costs	51	70	168	207
Depreciation of property, plant and equipment	3	5	9	20
Depreciation of right-of-use assets	-	35	-	155
Loss on disposal of property, plant and equipment	-	16	-	14
Provision for expected credit losses on trade receivables	-	10	-	10
Amortisation of deferred deferred income	-	4	-	(30)

9. Earnings per share

	The Group			
	3QFY2023	**3QFY2022**	**9MFY2023**	**9MFY2022**
Loss for the financial period ($)	(15,543,000)	(12,089,000)	(44,578,000)	(35,495,000)
Weighted average number of ordinary shares	499,660,878	499,660,878	499,660,878	499,660,878
Basic and diluted Earnings Per Share ("**EPS**") (Singapore cents)	**(3.11)**	**(2.42)**	**(8.92)**	**(7.10)**

The basic and diluted EPS for the respective financial periods are computed based on the loss attributable to the owners of the Company and the weighted average number of the Company's ordinary shares (excluding treasury shares) in issue during the respective financial periods.

The basic and diluted EPS for the above financial periods are the same as there were no potentially dilutive ordinary shares in issue.

10. Other receivables and other current assets

	The Group		The Company	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
	$'000	$'000	$'000	$'000
Non-current				
Due from subsidiaries	-	-	-	3,345
Current				
Deposits	138	141	-	-
Sundry debtors	67	45	-	-
Net GST receivables	7	3	5	2
Due from subsidiaries	-	-	3,346	-
	212	189	3,351	2
Other prepayments	63	223	10	22
	275	412	3,361	24

As at 30 June 2022, the amount due from subsidiaries is presented as a non-current asset as it is subordinated to the Loans From Lenders (as defined in Note 13(b)) which have a maturity date on 5 October 2023, being more than twelve (12) months from 30 June 2022.

11. Development properties

The development properties relate to the Group's PCR project located in Iskandar which is developed by the principal subsidiary of the Group, PDD.

12. Restricted cash

As at 31 March 2023 and 30 June 2022, the restricted cash relates largely to the Interest Service Reserve Account ("**ISRA**") in relation to Facility A (as defined in Note 13(c)).

13. Loans and borrowings

	31-Mar-23			30-Jun-22		
	$'000	$'000	$'000	$'000	$'000	$'000
The Group	**Secured**	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
Non-current						
OCP-TPG Loan	-	-	-	139,919	-	139,919
OCP-PDD Loan	-	-	-	34,665	-	34,665
Bank loan net of unamortised transactional cost	-	-	-	45,123	-	45,123
CH Biovest Loan (I)	-	-	-	-	7,448	7,448
CH Biovest Loan (II)	-	-	-	-	544	544
DB2 Loan	-	-	-	-	2,271	2,271
Other Third Parties Loans	-	-	-	-	203	203
	-	-	-	219,707	10,466	230,173
Current						
OCP-TPG Loan	171,914	-	171,914	-	-	-
OCP-PDD Loan	42,271	-	42,271	-	-	-
Bank loan net of unamortised transactional cost	43,309	-	43,309	-	-	-
CH Biovest Loan (I)	-	7,549	7,549	-	-	-
CH Biovest Loan (II)	-	654	654	-	-	-
DB2 Loan	-	2,302	2,302	-	-	-
Other Third Parties Loans	-	244	244	-	-	-
Bank overdraft	2,420	-	2,420	2,525	-	2,525
Total	259,914	10,749	270,663	2,525	-	2,525
The Company						
Non-current						
CH Biovest Loan (I)	-	-	-	-	2,798	2,798
CH Biovest Loan (II)	-	-	-	-	544	544
DB2 Loan	-	-	-	-	853	853
Other Third Parties Loans	-	-	-	-	203	203
Total	-	-	-	-	4,398	4,398
Current						
CH Biovest Loan (I)	-	2,798	2,798	-	-	-
CH Biovest Loan (II)	-	654	654	-	-	-
DB2 Loan	-	853	853	-	-	-
Other Third Parties Loans	-	244	244	-	-	-
Total	-	4,549	4,549	-	-	-

(a) **OCP-TPG Loan** is secured by the following:

(i) assignment of inter-company loans owed to the Group for the purposes of PCR and P12;

(ii) assignment of development management agreements relating to PCR and P12;

(iii) corporate guarantees by and debentures over the Company, and its wholly-owned subsidiary, PSD Singapore Pte. Ltd. ("**PSDS**") and debentures over the wholly-owned subsidiaries of PSDS, namely, Twin Prosperity Group Ltd. ("**TPG**") and Tropical Sunrise Development Inc. ("**TSD**"); and

(iv) share charges over shares of the Company's wholly-owned subsidiary, PSDS, and wholly-owned subsidiaries of PSDS, namely, TPG, TSD, PDD, and the Group's joint venture (Minaret) and the Group's associate (PSDT).

The maturity date of the OCP-TPG Loan is 5 October 2023, or if earlier, coterminous with the maturity date of Facility A (as defined in 13(c)).

As at 31 March 2023, the OCP-TPG Loan has been fully drawn down.

13. Loans and borrowings (cont'd)

(b) **OCP-PDD Loan** is secured by the following:

(i) first-ranking charge and assignment of a disbursement account of PDD held with Singapore branch of the bank that provided Facility A (as defined in Note 13(c)) (the "**Bank**");

(ii) second-ranking charge and assignment of certain accounts of PDD held with the Bank;

(iii) second-ranking debentures over all the assets of PDD and each individual unit comprised in PCR that has not been sold by PDD;

(iv) second-ranking assignment of the rental and sale proceeds from PCR; and

(v) second-ranking charge over each individual unit comprised in PCR that has not been sold by PDD on creation thereof after issue of the strata titles for the units in PCR.

OCP-PDD Loan's maturity date is on 5 October 2023, or if earlier, coterminous with the maturity date of Facility A (as defined in Note 13(c)).

As at 31 March 2023, the OCP-PDD Loan has been fully drawn down and utilised.

The OCP-TPG Loan and OCP-PDD Loan (collectively referred to herein as "**Loans From Lenders**") are provided by a group of lenders (the "**Lenders**").

(c) "**Facility A**" refers to the bank loan and overdraft facility granted by the Bank and is secured by the following:

(i) legal mortgage on the Group's PCR;

(ii) all-monies debenture and power of attorney over the assets and properties of the Group's wholly-owned subsidiary, PDD;

(iii) assignment of all rights and benefits to sale, lease and/or insurance proceeds in respect of PCR (including assignment of the PDD project account); and

(iv) corporate guarantee from PSDS, a wholly-owned subsidiary of the Company.

The maturity date of Facility A is 5 October 2023 and its principal repayments are based on a certain predetermined percentage of PDD's monthly actual cash inflow after deducting the interest to be serviced monthly in arrears (the "**Priority Of Payment**"). A temporary suspension of Priority of Payment was in place from 1 June 2022 to 28 February 2023.

As at 31 March 2023, Facility A has been fully drawn down and utilised.

(d) **CH Biovest Loan (I) and DB2 Loan** are advances originally extended by PSD Holdings Pte. Ltd. ("**PSDH**"), a company formerly controlled by a related party, being a former controlling shareholder of the Company. In March 2020, due to the bankruptcy of that related party, the related party is deemed to have lost control over the shares of the Company which are now vested in the private trustee of the related party's bankrupt estate (the "**Trustee**").

On 19 September 2021, the Company announced that the Company had been informed on 17 September 2021 that the advances originally extended by PSDH to the Group have been assigned in full by PSDH (the control of which is now vested in the Trustee) 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**").

CH Biovest is a controlling shareholder of the Company holding 35.52% of the share capital of Company while DB2 is not related to any director or shareholder of the Company.

13. Loans and borrowings (cont'd)

(d) **CH Biovest Loan (I) and DB2 Loan (cont'd)**

As at 31 March 2023:

(i) **CH Biovest Loan (I)** amounted to $7,549,000 comprising non-interest-bearing advances of $4,444,000, interest-bearing advances of $2,682,000 and interest accrued/capitalised of $423,000, is unsecured and is subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by CH Biovest and the Lenders.

(ii) **DB2 Loan** amounted to $2,302,000 comprising non-interest-bearing advances of $1,355,000, interest-bearing advances of $818,000 and interest accrued/capitalised of $129,000, is unsecured and is subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by DB2 and the Lenders.

(e) **CH Biovest Loan (II)** is a loan extended by the Company's controlling shareholders, CH Biovest. At an Extraordinary General Meeting ("**EGM**") of the Company held on 22 February 2022, the shareholders of the Company (excluding CH Biovest which abstained from voting) approved the Company's entry into a $500,000 loan agreement with CH Biovest for the purposes of paying the Company's listing-related expenses. CH Biovest Loan (II) is unsecured, bears interest at 25% per annum (capitalised on a quarterly basis) and is subordinated to the Loans From Lenders pursuant to an accession agreement entered into by CH Biovest and the Lenders.

As at 31 March 2023, the CH Biovest Loan (II) has been fully drawn down.

As at 31 March 2023, CH Biovest Loan (II) amounted to $654,000 comprising principal of $500,000 and capitalised interest of $154,000.

(f) **Other Third Parties Loans** pertain to loans from third parties amounting to $244,000 comprising principal of $200,000 and capitalised interest of $44,000. The Other Third Parties Loans are unsecured, bears interest at 25% per annum (capitalised on a quarterly basis) and are subordinated to the Loans From Lenders.

As at 31 March 2023, the Third Parties Loans have been fully drawn down and utilised.

(g) As at 31 March 2023 and 30 June 2022, the loan-to-value ratio of the OCP-TPG Loan has exceeded the requisite ratio under the loan-to-value covenant under the OCP-TPG Loan. If the Lenders call this as a default by requesting TPG to effect the remedy actions as provided in the OCP-TPG Loan and if TPG is not able to complete such remedy actions, it may constitute a cross default vis-a-vis other borrowings of the Group/Company such as OCP-PDD Loan, Facility A, CH Biovest Loan (I), CH Biovest Loan (II), DB2 Loan and the Other Third Parties Loans. As at the date of this set of Financial Statements, the Lenders are not in a position to provide a waiver and the Lenders have not called a default on this matter.

14. Other payables

	The Group		The Company	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
	$'000	$'000	$'000	$'000
Non-current				
Others payables	343	22	-	-
Withholding tax payable	-	3,072	-	-
GST clawback and penalties payables	-	92	-	-
Due to associate	-	1	-	-
Due to subsidiaries	-	-	-	15,324
	343	3,187	-	15,324
Current				
Accruals	6,158	6,182	364	244
Withholding tax payable	2,587	-	-	-
Joint Management Body of PCR	1,527	1,569	-	-
Income tax penalties payable	1,337	1,442	-	-
Sundry creditors	1,156	928	296	97
PCR deposits received	173	935	-	-
Others	259	245	-	-
Due to liquidator of subsidiaries	210	210	210	210
GST clawback and penalties payables	167	406	-	-
Due to associate	1	-	-	-
Due to subsidiaries	-	-	15,750	-
	13,575	11,917	16,620	551

<u>Withholding tax payable</u>

The amount relates to accrued withholding tax in relation to interest on loans provided by Group entities and the Lenders to PDD. As at 30 June 2022, since such loans are non-current, the related withholding tax were presented as non-current liabilities.

<u>Joint Management Body of PCR</u>

The amount relates largely to maintenance charges and sinking fund contributions, utilities and the associated late interest charges for unsold PCR units.

<u>Income tax penalties payable</u>

The amount relates to penalties imposed by the Inland Revenue Board of Malaysia ("**IRB**") on PDD, a wholly-owned subsidiary of the Group, for late payment and under-estimated chargeable income subjected to corporate income tax in prior years

<u>PCR deposits received</u>

PCR deposits received comprise purchase deposits received from PCR unit buyers and security deposits from tenants of PCR retail units.

<u>Due to liquidator of subsidiaries</u>

Due to liquidator of subsidiaries (companies of the Group's former Aluminium Division) relates to advances previously received by the Company from subsidiaries currently under liquidation, which have to be paid to the liquidator of these subsidiaries prior to the completion of their liquidation. The Company had announced on 22 May 2019 its intention to discontinue its Aluminium business via a creditors' voluntary liquidation. As at the date of this set of Financial Statements, the liquidation of Aluminium Division is still on-going.

<u>GST clawback and penalties payables</u>

The amount relates to the clawback of over-claimed GST recoverable and penalties imposed by the Malaysia Customs ("**Customs**") on the Group's wholly-owned subsidiary, PDD, for over-claim of GST in prior years.

14. Other payables (cont'd)

Due to subsidiaries

As at 30 June 2022, due to subsidiaries are presented as non-current liabilities as they are subordinated to the Loans From Lenders which have a maturity date of 5 October 2023, being more than twelve (12) months from 30 June 2022.

15. Deferred income

Deferred income pertains largely to Sale and Purchase Agreements ("**SPAs**") for PCR units which have not been recognised as revenue.

16. Share capital

	As at 31 March 2023, 31 December 2022, 30 September 2022 and 30 June 2022	
	Number of ordinary shares	**$'000**
The Group		
Issued and fully paid ordinary shares	502,336,278	47,801
The Company		
Issued and fully paid ordinary shares	502,336,278	197,055

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares, excluding treasury shares, carry one vote per share without restrictions. The ordinary shares have no par value.

The Group's share capital amount differs from that of the Company as a result of reverse acquisition accounting.

There were no changes in the Company's share capital since the end of the previous financial period and year reported on.

As at 31 March 2023, 31 December 2022, 30 September 2022 and 30 June 2022, the Company had no outstanding instruments convertible into shares of the Company.

As at 31 March 2023, 31 December 2022, 30 September 2022 and 30 June 2022, there were no subsidiary holdings in the Company. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

17. Treasury shares

	31-Mar-23		30-Jun-22	
	Number of ordinary shares	$'000	Number of ordinary shares	$'000
The Company				
Balance as at the beginning and the end of reporting period	2,675,400	(513)	2,675,400	(513)
Total number of issued shares	502,336,278		502,336,278	
Less: Total number of treasury shares	(2,675,400)		(2,675,400)	
Total number of issued shares excluding treasury shares	499,660,878		499,660,878	
Percentage of treasury shares over total number of issued shares	0.5%		0.5%	

There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

18. Net liabilities per share

	The Group		The Company	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
Net liabilities ($)	(173,167,000)	(129,381,000)	(17,799,000)	(16,870,000)
Number of issued shares (excluding treasury shares)	499,660,878	499,660,878	499,660,878	499,660,878
Net liabilities per share (Singapore cents)	**(34.66)**	**(25.89)**	**(3.56)**	**(3.38)**

19. Cash and cash equivalent for Consolidated Cash Flow Statement

	The Group	
	31-Mar-23 $'000	31-Mar-22 $'000
Cash at bank	3,100	853
Less: Bank overdraft	(2,420)	(2,588)
Cash and cash equivalent	**680**	**(1,735)**

20. Segmental information

20.1 Business segment

The Group currently operates in a single segment, i.e. property development. Hence, no segmental financial results are presented.

20. Segmental information (cont'd)

20.2 Geographical segment

Geographically, the Group manages and monitors the business in two primary geographic areas being Singapore and Malaysia.

Sales are based on the country in which the subsidiary operates. Non-current assets are shown by the geographical area in which the assets are located.

	Revenue				Non-current assets	
The Group	**3QFY2023 $'000**	**3QFY2022 $'000**	**9MFY2023 $'000**	**9MFY2022 $'000**	**31-Mar-23 $'000**	**30-Jun-22 $'000**
Malaysia	2,187	261	4,769	2,405	24	102
Singapore	-	-	-	-	-	1
Total	2,187	261	4,769	2,405	24	103

21. Related party transactions

Other than directors' fees and compensation to key management personnel and interested person transaction as disclosed in paragraph 9 on page 25, there is no material related party transaction.

22. Subsequent events

(a) On 27 April 2023, the Company announced that it had on 26 April 2023 received from Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") a notification of delisting (the "**Delisting Notice**") (the "**Delisting Notice Announcement**"). In the Delisting Notice, the SGX RegCo has informed the Company that there are no extenuating reasons to grant the Company a further extension of time to submit its Resumption of Trading Proposal ("**RTP**"), as there is no certainty that the Company will be able to satisfactorily address issues on its ability to operate as a going concern and demonstrate financial and business viability to support the submission of an RTP by the proposed extended deadline requested for.

Pursuant to the Delisting Notice, the Company's shares will be delisted from the SGX-ST after an exit offer is made to shareholders and holders of other classes of listed securities in accordance with Rule 1308 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), and that the Company is required to inform the SGX RegCo of the exit offer proposal as soon as practicable and no later than 26 May 2023.

(b) On 15 May 2023, the Company announced that management team of the Company had reached out to the controlling shareholders of the Company, namely CH Biovest, Glaxier City Limited ("**GCL**") and Double Blessing Holdings Limited ("**DBHL**") (collectively the "**Controlling Shareholders**") to enquire their willingness and/or ability to make an exit offer to all other shareholders and holders of other classes of listed securities of the Company ("**Exit Offer**").

The Controlling Shareholders have declined to make any Exit Offer. In the case of GCL and DBHL, Management had contacted (i) Mr Chan Fook Kheong, the former CEO and Managing Director of the Company, (ii) the private trustee of Mr Chan Fook Kheong's bankrupt estate and (iii) the protector of a trust related to GCL.

Accordingly, there is no Exit Offer at this point in time. In the absence of any Exit Offer being received from any other person, the Company will be delisted in due course, subject to further instructions and/or directions from the SGX RegCo.

Other Information Required by Listing Rule Appendix 7C

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

   The Financial Statements have not been audited or reviewed by our auditors.

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

   Not applicable.

3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

   (a) Updates on the efforts taken to resolve each outstanding audit issue.

   Pursuant to the auditor's report dated 15 December 2022 on the FY2022 financial statements, the two bases for disclaimer of opinion were as follows:

   (i) Use of going concern assumption

   Not applicable in accordance with Paragraph 3A of Appendix 7C of the Catalist Rules.

   (ii) Classification of loans and borrowings and associated withholding tax payable and certain intercompany balances

   Due to the passage of time, as at 31 March 2023, the loans and borrowings and associated withholding tax payable and those intercompany balances of the Group and the Company have been classified as current liabilities as they are due within twelve (12) months from 31 March 2023.

   (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

   Not applicable or as explained above.

4. **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.**

<u>Review of Statement of Comprehensive Income for 3QFY2023</u>

<u>Revenue and cost of sales</u>

The Group's revenue increased by $1.93 million from $0.26 million in 3QFY2022 to $2.19 million in 3QFY2023. This was largely attributable to an increase in the number of SPAs for PCR units recognised as revenue. The improvement in gross profit margin was largely attributable to the gradual improvement in the average price of the SPAs recognised as revenue post COVID-19.

<u>Other operating income</u>

Other operating income for 9MFY2023 was not materially different from that in 9MFY2022.

<u>Administrative expenses</u>

The administrative expenses increased by $1.06 million from $1.71 million in 3QFY2022 to $2.77 million in 3QFY2023. This was largely attributable to $0.66 million increase in foreign exchange losses due to the depreciation of the Malaysia Ringgit against the Singapore Dollar and $0.26 million increase in expenses incurred in relation to the maintenance of unsold PCR units.

<u>Finance costs</u>

Finance costs increased by $2.91 million from $10.41 million in 3QFY2022 to $13.32 million in 3QFY2023. This was largely due to a $2.64 million increase of financing costs incurred for Loans From Lenders as a result of the capitalisation of interest which resulted in higher principal sum outstanding.

Share of results of joint venture/associate

As explained in Note 7 of the Financial Statements, the share of results of associate for 3QFY2022 pertains to funding provided by the Group in relation to the KNK Bankruptcy matter and to maintain the live status of the associate respectively. In contrast, in 3QFY2023, the share of results of associate relates to the funding provided by the Group to maintain the live status of the associate.

Net loss

The Group recorded a net loss after tax of $15.54 million in 3QFY2023 as compared with $12.09 million in 3QFY2022. The $3.45 million increase in net loss was largely attributable to a $1.06 million increase in administrative expenses and a $2.91 million increase in finance costs, which was partly offset by a $0.42 million increase in gross profit.

Review of Statement of Comprehensive Income for 9MFY2023

Revenue and cost of sales

The Group's revenue increased by $2.36 million from $2.41 million in 9MFY2022 to $4.77 million in 9MFY2023. This was largely attributable to an increase in the number of SPAs for PCR units recognised as revenue. The improvement in gross profit margin was largely attributable to the gradual improvement in the average price of the SPAs recognised as revenue post COVID-19.

Other operating income

Other operating income for 9MFY2023 was not materially different from that in 9MFY2022.

Administrative expenses

The administrative expenses increased by $2.40 million from $5.02 million in 9MFY2022 to $7.42 million in 9MFY2023. This was largely attributable to a $3.14 million increase in foreign exchange losses due to the depreciation of the Malaysia Ringgit against the Singapore Dollar which was partially offset by a $0.75 million reversal of excess withholding tax previously accrued for interest on intercompany loans.

Finance costs

Finance costs increased by $7.59 million from $30.62 million in 9MFY2022 to $38.21 million in 9MFY2023. This was largely due to a $8.29 million increase in financing costs incurred for Loans From Lenders which was partially offset by a $0.94 million decrease in interest to contractors, creditors and an affiliate of the Lenders.

The increase in interest expenses on Loans From Lenders was attributable to the capitalisation of interest due which resulted in a higher principal as well as the increase in finance costs due to the drawn down of the OCP-PDD Loan.

The reduction in interest to contractors, creditors and an affiliate of the Lenders was due to the repayment of amount due to the affiliate of the Lenders via proceeds from the OCP-PDD Loan during the six months financial period ended 31 December 2022.

Share of results of joint venture/associate

As explained in Note 7 of the Financial Statements, the share of results of joint venture and associate for 9MFY2022 pertains to funding provided by the Group in relation to the KNK Bankruptcy matter and to maintain the live status of the associate respectively. In contrast, during 9MFY2023, the share of results of associate relates to the funding provided by the Group to maintain the live status of the associate.

Net loss

The Group recorded a net loss after tax of $44.58 million in 9MFY2023 as compared with $35.50 million in 9MFY2022. The $9.08 million increase in net loss was largely attributable to a $2.40 million increase in administrative expenses and $7.59 million increase in finance costs which was partly offset by a $0.68 million increase in gross profit, $0.12 million reduction in share of results of joint venture and associate and $0.08 million increase in other income.

Review of Statement of Financial Position as at 31 March 2023

Company

The reduction of non-current liabilities and non-current assets were due to the classification of such amount from non-current liabilities and assets to current liabilities and assets respectively based on contractual maturity date.

Net liabilities

The Company's net liabilities increased by $0.93 million due to the losses incurred by the Company which were funded by a subsidiary's repayment of loans provided by the Company.

The Group

Non-current assets

There were no material changes to the non-current assets between 31 March 2023 and 30 June 2022.

Current assets

The current assets of the Group decreased by $6.34 million from $128.48 million as at 30 June 2022 to $122.14 million as at 31 March 2023. This decrease was due largely to a $9.46 million reduction in development properties which was partly offset by a $2.55 million increase in restricted cash and cash at bank and $0.57 million in trade receivables due to increase in SPA signed pending collection.

The reduction in development properties was due to the effects of the translation of the Group's development properties from Malaysia Ringgit to Singapore Dollar as a result of the depreciation of the Malaysia Ringgit against the Singapore Dollar and PCR units recognised as cost of sales.

The increase in restricted cash and cash at bank was attributable drawdown from OCP-PDD Loan for the top of the ISRA and the Group's operational usage.

Non-current liabilities

As at 31 March 2023, the Group's non-current liabilities decreased by $233.02 million as compared to 30 June 2022. The decrease was attributable to the classification of loans and borrowings and other payables (largely withholding tax payable) to current liabilities to reflect the maturity date of such loans and borrowings and other payables.

Current liabilities

Current liabilities increased by $270.38 million from $24.61 million as at 30 June 2022 to $294.99 million as at 31 March 2023. The increase was largely attributable to the $268.14 million increase in loans and borrowings, a $1.66 million increase in other payable and $3.26 million increase in deferred income, which were partly offset by $1.05 million routine payment of tax liabilities and $1.62 million routine payment of trade payables.

The increase $268.14 million increase in loans and borrowings was attributable to the classification of $230.17 million from non-current liabilities, as explained under "non-current liabilities", $4.0 million increase in principal of OCP-PDD Loan and a $33.97 million capitalisation of interest on such loans and borrowings.

The $1.66 million increase in other payables was largely due to the classification of $3.16 million of other payables (withholding tax payable, GST clawback and penalties payable and due to associate) from non-current liabilities to current liabilities as explained under "non-current liabilities" which was partly offset by a $0.75 million reversal of withholding tax payable and a $0.76 million reduction in PCR deposits received as SPAs were recognised as revenue.

The increase in deferred income pertain to the increase value of SPAs pending recognition as revenue.

Review of the Consolidated Cash Flow Statement for 3QFY2023

Net cash generated from operating activities amounted to $1.38 million where $1.59 million of cash flow generated from operations was largely attributable the cash flow generated from the sale of PCR units, collection of trade receivables and management of payables which was partly offset by $0.21 million payment of income tax and finance costs.

During 3QFY2023, the finance cost paid was minimal as compared to the $13.32 million of finance costs recognised in the statement of comprehensive income. This was because the interest related to Loans From Lenders, CH Biovest Loan (I), CH Biovest Loan (II), DB2 Loan as well as Other Third Parties Loans were either capitalised or accrued which did not result in cash outflow. In addition, at the request of PDD, the Bank has temporary suspended the Priority Of Payment and allowed the interest for Facility A to be deducted from ISRA maintained with the Bank.

During 3QFY2023, the Group draw down $4.0 million from the OCP-PDD Loan which was largely applied to top up the ISRA (restricted cash) for interest deducted from the ISRA during the temporary suspension of Priority Of Payment from June 2022 to February 2023. These resulted $0.77 million of cash flow generated from financing activities.

As a result of the above, the Group's recorded a net increase in cash and cash equivalent of $2.14 million.

Review of the Consolidated Cash Flow Statement for 9MFY2023

Net cash generated from operating activities amounted to $0.84 million where $2.04 million of cash flow generated from operations was largely attributable the cash flow generated from the sale of PCR units, collection of trade receivables and management of payables, which was offset by $1.02 million payment of income tax and $0.18 million payment of finance costs.

During 9MFY2023, the finance cost paid was minimal as compared to the $38.21 million of finance costs recognised in the statement of comprehensive income. This was because the interest related to Loans From Lenders, CH Biovest Loan (I), CH Biovest Loan (II), DB2 Loan as well as Other Third Parties Loan were either capitalised or accrued which did not result in cash outflow. In addition, at the request of PDD, the Bank has temporary suspended the Priority Of Payment and allowed the interest for Facility A to be deducted from ISRA maintained with the Bank.

Net cash used in investing activities amounted to $0.02 million which was largely attributable to funding provided to associate.

During 9MFY2023, the Group draw down $4.0 million from the OCP-PDD Loan which was largely applied to top up the ISRA (restricted cash) for interest deducted from the ISRA during the temporary suspension of Priority Of Payment from June 2022 to February 2023. These resulted $0.74 million of cash flow generated from financing activities.

As a result of the above, the Group's recorded a net decrease in and cash equivalent of $1.55 million.

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

Not applicable.

6. 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.

The Delisting Notice (as defined in Note 22(a)) will have an impact on the going concern of the Group and the Company.

On the operational front, the continued glut of completed residential property projects in Iskandar and Johor Bahru (Malaysia) has created a large oversupply which in turn has affected the Group's financial performance.

As governments have adopted an endemic approach in their dealings with COVID-19 and the WHO having recently declared COVID-19 no longer represents a global health emergency, economic activities and consumers' confidence should gradually recover. However, presently these are just the nascent of a potential recovery. The emergence of sub-variants of COVID-19 (and the ensuing infection waves) may unwind the positive progress vis-à-vis the pandemic. In addition, there are other macro-events such as the Russia-Ukraine war, global supply chain shocks, inflationary pressure and interest rate hikes (which in turn makes financing of potential buyers of PCR units more costly) raising a slew of global concerns. These have naturally led to increased inertia amongst prospective buyers for properties in Iskandar. These can significantly disrupt the hoped-for post COVID-19 recovery trajectory and may severely impact the Group's financial performance.

7. Dividend Information

(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.

8. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend was declared as there were no profits for 3QFY2023.

9. Interested Person Transactions

At an EGM of the Company held on 22 February 2022, the shareholders of the Company (excluding CH Biovest which abstained from voting), approved the CH Biovest Loan (II) of $500,000 which bears interest at 25% per annum (capitalised on a quarterly basis). As the CH Biovest Loan (I), principal sum of $2,681,970 was assigned by PSDH, shareholder's approval for this transaction was not required. The Interested Person Transaction ("**IPT**") during 9MFY2023 is set out below for information.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		$	$
Finance costs			
CH Biovest	Controlling shareholder	100,666	110,245

10. Confirmation that the Issuer has procured undertaking from all its directors and executive officers pursuant to Rule 720(1) of the Catalist Rules.

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

11. Disclosure of acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules.

The Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period.

12. Confirmation by the board pursuant to Rule 705(5) of the Catalist Rules

I, Ying Wei Hsein, 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 our 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 the Group for the 3-month period ended 31 March 2023 to be false or misleading in any material aspect.

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

Ying Wei Hsein
Executive Chairman
15 May 2023