

Fifth Quarter (“5Q2017”) and Fifteen Months (“15M2017”) Unaudited Financial Statements and Dividend Announcement for the Period Ended 31 March 2018

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 fifth quarter period ended 31 March 2018 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.

Change of financial year end

On 9 November 2017, the Company announced the change of financial year end from 31 December to 30 June. Accordingly, the current financial year covers an 18-month period from 1 January 2017 to 30 June 2018. In this results announcement, shareholders should be cautioned that the comparative periods used are the 15 months ended 31 March 2018 and the 12 months ended 31 December 2016, which may not reflect a like-for-like comparison.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3, Q4, Q5), 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.

	5 th Quarter ended 31 Mar 2018 ("5Q2017") S\$'000	1 st Quarter ended 31 Mar 2017 ("1Q2017") S\$'000	<u>The Group</u> Changes %	15 Months ended 31 Mar 2018 ("15M2017") S\$'000	12 Months ended 31 Dec 2016 ("12M2017") S\$'000	Changes %
Revenue	22,681	14,885	52.4	106,594	59,113	80.3
Cost of sales	(12,731)	(7,716)	65.0	(56,265)	(30,149)	86.6
Gross profit	9,950	7,169	38.8	50,329	28,964	73.8
Other operating income	250	1,506	(83.4)	3,558	3,258	9.2
Expenses:						
Marketing and Distribution	(1,041)	(219)	375.3	(4,265)	(2,240)	90.4
Operating and Administrative	(1,458)	(1,418)	2.8	(6,655)	(3,979)	67.3
Other operating	(225)	(313)	(28.1)	(1,295)	(406)	219.0
Finance	(159)	(419)	(62.1)	(1,949)	(1,505)	29.5
	(2,883)	(2,369)	21.7	(14,164)	(8,130)	74.2
Share of loss of equity-accounted investee	(66)	(429)	(84.6)	(1,595)	(1,001)	59.3
Profit before tax from continuing operations ¹	7,251	5,877	23.4	38,128	23,091	65.1
Income tax expense	(1,830)	(1,493)	22.6	(9,757)	(5,774)	69.0
Net profit after tax from continuing operations	5,421	4,384	23.7	28,371	17,317	63.8
Net loss from discontinued operations	-	-	Nm	(2,982)	-	Nm
Net profit for the financial period	5,421	4,384	23.7	25,389	17,317	46.6
Other comprehensive income/(loss), net of tax: Items that may be reclassified subsequently to profit or loss						
- Currency translation differences arising from consolidation	34	(393)	N.m	967	(650)	N.m
Total comprehensive profit for the financial period	5,455	3,991	36.7	26,356	16,667	58.1
Net profit attributable to:						
Equity holders of the Company	2,465	2,252	9.5	10,306	7,529	36.9
Non-Controlling interest	2,956	2,132	38.6	15,083	9,788	54.1
	5,421	4,384	23.7	25,389	17,317	46.6
Total comprehensive income attributable to:						
Equity holders of the Company	2,468	2,125	16.1	10,847	6,932	56.5
Non-Controlling interest	2,987	1,866	60.1	15,509	9,735	59.3
	5,455	3,991	36.7	26,356	16,667	58.1

N.m: Not meaningful

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

	5th Quarter ended 31 Mar 2018 S\$'000	1st Quarter ended 31 Mar 2017 S\$'000	15 Months ended 31 Mar 2018 S\$'000	12 Months ended 31 Dec 2016 S\$'000
Profit before income tax has been arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	54	103	431	310
Foreign exchange loss (net)	776	4	440	237
Gain on acquisition of subsidiaries (negative goodwill)	-	(1,224)	(1,224)	-
Gain on disposal of subsidiaries	-	-	-	(167)
Loss on disposal of property, plant and equipment	-	14	14	-
Interest expenses	159	419	1,949	1,505
Interest income	(36)	(96)	(338)	(95)

Note 1

Profit before income tax has been arrived at after charging/(crediting):

Depreciation of property, plant and equipment

Foreign exchange loss (net)

Gain on acquisition of subsidiaries (negative goodwill)

Gain on disposal of subsidiaries

Loss on disposal of property, plant and equipment

Interest expenses

Interest income

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 Mar 2018	31 Dec 2016	31 Mar 2018	31 Dec 2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	4,649	6,412	105	10,474
Financial assets, at fair value through profit or loss	4	-	-	-
Trade receivables	23,293	5,559	1,901	725
Other receivables and other current assets	18,641	12,137	208	3,537
Inventories	575	-	-	-
Short-term deposits	501	-	501	-
Deferred costs	1,961	2,997	-	-
Development property	144,630	103,137	-	-
	194,254	130,242	2,715	14,736
Non-current assets				
Investment in subsidiaries	-	-	171,588	-
Deferred costs	-	260	-	-
Property, plant and equipment	155	340	26	3
	155	600	171,614	3
Total assets	194,409	130,842	174,329	14,739
LIABILITIES				
Current liabilities				
Deferred income	3,652	1,865	-	-
Trade payables	31,972	20,512	-	-
Other payables	11,400	14,986	12,389	2,283
Borrowings	24,274	4,152	-	-
Current tax liabilities	9,512	5,835	-	-
Advanced billings	2,226	-	-	-
Joint Venture	3,129	2,004	-	-
Associates	1,025	555	-	-
Provision for warranty	1,170	-	-	-
	88,360	49,909	12,389	2,283
Non-current liabilities				
Loans and borrowings	24,161	35,497	-	-
Loans from non-controlling interests	15,259	13,227	-	-
Deferred tax liabilities	2,643	1,807	-	-
	42,063	50,531	-	-
Total liabilities	130,423	100,440	12,389	2,283
NET ASSETS	63,986	30,402	161,940	12,456
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	25,301	17,738	195,642	48,196
Treasury shares	-	-	(513)	(513)
Reserves	10,779	267	(33,189)	(35,227)
	36,080	18,005	161,940	12,456
Non-controlling interest	27,906	12,397	-	-
Total equity	63,986	30,402	161,940	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 Mar 2018 S\$'000		As at 31 Dec 2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
24,274	-	4,152	-

Amount repayable after one year

As at 31 Mar 2018 S\$'000		As at 31 Dec 2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
24,161	15,259	35,497	13,227

Details of any collateral

The borrowings are secured as follows:

- short-term deposits of S\$501,000 (31 Dec 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			
	5 th Quarter ended 31 Mar 2018 (“5Q2017”) S\$’000	1 st Quarter ended 31 Mar 2017 (“1Q2017”) S\$’000	15 Months Period ended 31 Mar 2018 (“15M2017”) S\$’000	12 Months Period ended 31 Dec 2016 (“12M2016”) S\$’000
Cash Flow from Operating Activities				
Profit before income tax from continuing operations	7,251	5,877	38,128	23,092
Loss before income tax from discontinued operations	-	-	(2,982)	-
Adjustments for:				
Amortisation of deferred cost	677	419	2,986	1,719
Depreciation of property, plant and equipment	54	103	431	310
Loss on disposal of property, plant and equipment	-	14	14	-
Gain on disposals of subsidiaries	-	-	-	(167)
Loss on disposal of the vehicle sub-division	-	-	2,777	-
Interest expense	159	419	1,949	1,505
Interest income	(36)	(96)	(338)	(95)
Share of losses of equity-accounted investees	66	429	1,595	1,001
Gain on acquisition of subsidiaries (negative goodwill)	-	(1,224)	(1,224)	-
Reversal of impairment loss on other receivables	-	-	-	(2,843)
Unrealised foreign exchange (gain)/loss	(4)	7	(340)	237
Operating cash flow before working capital changes	8,167	5,948	42,996	24,759
Movement in working capital:				
Changes in development property	(10,193)	(5,336)	(37,353)	(35,915)
Changes in inventories and construction contracts	523	25	91	-
Changes in deferred costs	(250)	416	(1,560)	(743)
Changes in deferred income	9,012	(4,367)	2,338	(1,177)
Changes in trade, other receivables and other current assets	(4,127)	2,580	(16,079)	(7,693)
Changes in trade, other payables and provision for warranty	3,623	476	(851)	9,703
Cash generated/(used in) from operations	6,755	(258)	(10,418)	(11,006)
Interest received	36	96	338	95
Interest paid	(893)	(528)	(3,584)	(2,615)
Income tax paid	(2,419)	-	(5,528)	(1,138)
Net cash generated/(used in) from operating activities	3,479	(690)	(19,192)	(14,724)
Cash Flows from Investing Activities				
Acquisition/disposal of subsidiaries	-	(8,474)	(8,474)	(22)
Additions to property, plant and equipment	(3)	-	(148)	(208)
Advances to a joint venture and associate (non-trade)	-	-	-	(934)
Proceeds from disposal of vehicle sub-division	-	-	350	-
Proceeds from disposal of plant and equipment	-	269	271	-
Net cash used in investing activities	(3)	(8,205)	(8,001)	(1,164)
Cash Flows from Financing Activities				
Advance from former holding company (non-trade)	-	3,240	3,420	4,174
(Repayment to)/Proceeds from bank borrowings	(2,251)	1,342	9,194	13,771
Repayment of finance lease liabilities	(16)	(12)	(71)	(53)
Movement in fixed deposits pledged with banks	2	4,306	4,586	-
Proceeds from conditional placement of shares	-	8,521	8,521	-
Net cash (used in)/generated from financing activities	(2,265)	17,397	25,650	17,892
Net increase/(decrease) in cash and cash equivalents	1,211	8,502	(1,543)	2,004
Effect of currency translation on cash and cash equivalents	47	(36)	93	(35)
Cash and cash equivalents at beginning of financial period	1,287	3,995	3,995	2,026
Cash and cash equivalents at end of financial period	2,545	12,461	2,545	3,995
Cash and cash equivalents comprises:				
Cash and bank balances	4,649	13,475	4,649	6,412
Less: Fixed deposits pledged	-	(781)	-	-
Less: Bank overdraft	(2,104)	(233)	(2,104)	(2,417)
Cash and cash equivalents	2,545	12,461	2,545	3,995

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	
<u>The Group</u>							
Balance at 1 January 2017	17,738	(2,269)	3,029	(493)	18,005	12,397	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:							
Issue of shares – Placement	8,521	-	-	-	8,521	-	8,521
Acquisition of subsidiaries arising from reverse acquisition	(958)	-	-	(3)	(961)	(3,412)	(4,373)
Disposal of subsidiaries	-	(374)	-	42	(332)	3,412	3,080
Total transactions with owners of the Company	7,563	(374)	-	39	7,228	-	7,228
Balance at 31 March 2017	25,301	(391)	3,029	(581)	27,358	14,263	41,621
Net profit for the financial period	-	5,589	-	-	5,589	9,995	15,584
Other comprehensive income for the financial period, net of tax:							
Currency translation differences arising from consolidation	-	-	-	665	665	661	1,326
Total comprehensive income for the financial period	-	5,589	-	665	6,254	10,656	16,910
Disposal of subsidiaries	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance at 31 December 2017	25,301	5,198	3,029	84	33,612	24,919	58,531
Net profit for the financial period	-	2,465	-	-	2,465	2,956	5,421
Currency translation differences arising from consolidation	-	-	-	3	3	31	34
Total comprehensive income for the financial period	-	2,465	-	3	2,468	2,987	5,455
Disposal of subsidiaries	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance at 31 March 2018	25,301	7,663	3,029	87	36,080	27,906	63,986

<u>The Group</u>	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	
Balance at 1 January 2016	16,820	(9,798)	3,029	102	10,153	2,662	12,815
Net profit for the financial period	-	4,514	-	-	4,514	5,958	10,472
Other comprehensive income for the financial period, net of tax:							
Currency translation differences arising from consolidation	-	-	-	(479)	(479)	200	(279)
Total comprehensive income/(loss) for the financial period	-	4,514	-	(479)	4,035	6,158	10,193
Transaction with owners, recognised directly in equity:							
Purchase of treasury shares	918	-	-	2	920	-	920
Total transaction with owners of the Company	918	-	-	2	920	-	920
Balance at 30 September 2016	17,738	(5,284)	3,029	(375)	15,108	8,820	23,928
Net profit for the financial period	-	3,015	-	-	3,015	3,830	6,845
Other comprehensive income for the financial period, net of tax:							
Currency translation differences arising from consolidation	-	-	-	(118)	(118)	(253)	(371)
Total comprehensive income/(loss) for the financial period	-	3,015	-	(118)	2,897	3,577	6,474
Transaction with owners, recognised directly in equity:							
Purchase of treasury shares	-	-	-	-	-	-	-
Total transaction with owners of the Company	-	-	-	-	-	-	-
Balance at 31 December 2016	17,738	(2,269)	3,029	(493)	18,005	12,397	30,402

The Company

	<u>Share capital S\$'000</u>	<u>Treasury shares S\$'000</u>	<u>Accumulated losses S\$'000</u>	<u>Share options reserve S\$'000</u>	<u>Other reserves S\$'000</u>	<u>Total S\$'000</u>
Balance at 1 January 2017	48,196	(513)	(33,828)	71	(1,470)	12,456
Net loss for the financial period	-	-	(254)	-	-	(254)
Total comprehensive income for the period	-	-	(254)	-	-	(254)
Increase in share capital	142,668	-	-	-	-	142,668
Share issue expenses	-	-	-	-	(309)	(309)
Reversal of employee share options	-	-	13	(13)	-	-
Balance at 31 March 2017	190,864	(513)	(34,069)	58	(1,779)	154,561
Net loss for the financial period	-	-	3,192	-	-	3,192
Total comprehensive loss for the period	-	-	-	-	-	-
Increase in share capital	4,778	-	-	-	-	4,778
Reversal of employee share options	-	-	16	(16)	-	-
Balance at 31 December 2017	195,642	(513)	(30,861)	42	(1,779)	162,531
Net loss for the financial period	-	-	(587)	-	-	(587)
Total comprehensive loss for the period	-	-	(587)	-	-	(587)
Increase in share capital	-	-	-	-	-	-
Reversal of employee share options	-	-	-	(4)	-	(4)
Balance at 31 March 2018	195,642	(513)	(31,448)	38	(1,779)	161,940
Balance at 1 January 2016	48,196	(104)	(25,417)	194	(1,470)	21,399
Net profit for the financial period	-	-	(307)	-	-	(307)
Total comprehensive income for the period	-	-	(307)	-	-	(307)
Purchase of treasury shares	-	(409)	-	-	-	(409)
Balance at 30 September 2016	48,196	(513)	(25,724)	194	(1,470)	20,683
Net loss for the financial period	-	-	(8,227)	-	-	(8,227)
Total comprehensive income for the period	-	-	(8,227)	-	-	(8,227)
Reversal of employee share options	-	-	123	(123)	-	-
Purchase of treasury shares	-	-	-	-	-	-
Balance at 31 December 2016	48,196	(513)	(33,828)	71	(1,470)	12,456

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 class 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

	<u>31 Mar 2018</u>		<u>31 Dec 2017</u>		<u>31 Dec 2016</u>	
	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000	Number of ordinary shares	S\$'000
Issued and fully paid ordinary shares	502,336,278	195,642	502,336,278	195,642	15,782,926	48,196

There were no changes to the issued and paid-up capital of the Company during 5Q2017.

(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
At 31 March 2017	158,428,626	190,351
Issue of top-up shares in relation to the RTO	8,125,000	4,778
	166,553,626	195,129
Share split on the basis of every 1 share into 3 shares	499,660,878	195,129
As at 30 June , 30 September, 31 December 2017 and 31 March 2018	499,660,878	195,129

As at 31 March 2018, 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 2018, 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 Jan 2017	Granted/ (Forfeited) on Completion	Balance at Completion after share split	Granted/ (Forfeited) after Completion	Balance as at 31 Mar 2018	Balance as at 31 Mar 2017	Exercise period
4 Mar 2014	\$1.75	\$0.583	126,400	(24,000)	307,200	(91,200)	216,000	307,200	3 Mar 2015 to 2 Mar 2019

The number of options lapsed during 5Q2017 amounted to 2,400 (7,200 after share split).

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 Mar 2018	31 Dec 2017	31 Dec 2016
Total number of issued shares	502,336,278	502,336,278	15,782,926
Treasury shares	2,675,400	2,675,400	891,800
Total number of issued shares excluding treasury shares	499,660,878	499,660,878	14,891,126
% of treasury shares over total number of issued shares	0.5%	0.5%	5.7%

1(d)(iv) A statement showing all sales transfers, disposal, 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 2018. 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 any 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.

Profit per share for the period from continuing operations (cents)	5 th Quarter ended 31 March 2018	1 st Quarter ended 31 March 2017	15 Months ended 31 March 2018	12 Months ended 31 December 2016
(a) Based on weighted average number of ordinary shares in issue	0.49	0.71	2.88	4.86
(b) On a fully diluted basis*	0.49	0.71	2.88	4.86

Loss per share for the period from discontinued operations (cents)	5 th Quarter ended 31 March 2018	1 st Quarter ended 31 March 2017	15 Months ended 31 March 2018	12 Months ended 31 December 2016
(a) Based on weighted average number of ordinary shares in issue	-	-	0.65	-
(b) On a fully diluted basis*	-	-	0.65	-

Profit per share for the financial period ended 31 March 2018 from continuing operations was computed based on the net profit attributable to equity holders of the Company for 5Q2017 of S\$2,465,000 (1Q2017: S\$2,252,000) and the net profit attributable to equity holders of the Company for 15M2017 of S\$13,288,000 (12M2016: S\$7,529,000) and divided by the weighted average number of shares in issue after share consolidation and excluding treasury shares as shown below.

Loss per share for the financial period ended 31 March 2018 from discontinued operations was based on the net loss attributable to equity holders for the Company for 5Q2017 is nil (1Q2017: nil) and the net loss attributable to equity holders of the Company for 15M2017 of S\$2,982,000 (12M2016: nil) and divided by the weighted average number of shares in issue after share consolidation and excluding treasury shares as follows:

	5 th Quarter ended 31 March 2018	1 st Quarter ended 31 March 2017	15 Months ended 31 March 2018	12 Months ended 31 December 2016
Weighted average number of ordinary shares				
(a) Based on weighted average number of ordinary shares in issue; and	499,660,878	316,857,252	461,319,790	154,844,799
(b) On fully diluted basis*	499,660,878	316,857,252	461,319,790	154,844,799

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 Mar 2018	31 Dec 2016	31 Mar 2018	31 Dec 2016
Net asset value per ordinary share based on existing issued share capital as at the end of the period/year (cents)	7.22	11.48	32.41	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 5Q2017, 15M2017 and 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 Group for 4Q2016 and 12M2016 prior to the RTO which includes only the Property Division.

Statement of Comprehensive Income

The Group's quarterly revenue has increased by S\$7.8 million or 52.4% from S\$14.9 million in 1Q2017 to S\$22.7 million in 5Q2017. On a year to date basis, the Group's year to date revenue increased by S\$47.5 million or 80.3% from S\$59.1 million in 12M2016 to S\$106.6 million in 15M2017.

The Group's iconic project in Puteri Cove Residences & Quayside in Puteri Harbour ("**Puteri Cove Project**") continues to contribute positively to the Group's revenue and earnings. The Group's development has attained the Certificate of Completion and Compliance for Phase 1.

The Group's quarterly cost of sales has increased by \$5.0 million or 65.0% from S\$7.7 million in 1Q2017 to S\$12.7 million in 5Q2017. In line with the increase in revenue and cost of sales, the Group's quarterly gross profit also increased by S\$2.8 million or 38.8% from S\$7.2 million in 1Q2017 to S\$10.0 million in 5Q2017. On a year to date basis, the Group's gross profit increased by S\$21.4 million or 73.8% from S\$28.9 million in 12M2016 to S\$50.3 million in 15M2017.

Other operating income decreased by S\$1.3 million or 83.4%, mainly due to the absence of a gain on acquisition of subsidiaries (negative goodwill) of S\$1.2 million in 1Q2017.

* 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.

On a year to date basis, the Group's other operating expenses increased by S\$0.9 million or 29.5% from S\$0.4 million in 12M2016 to S\$1.3 million in 15M2017. This is due to higher professional fees incurred.

Total expenses for the Group rose by S\$0.5 million or 21.7% from S\$2.4 million in 1Q2017 to S\$2.9 million in 5Q2017 mainly due to higher marketing costs. On a year to date basis, total expenses rose by S\$6.0 million or 74.2% from S\$8.1 million in 12M2016 to S\$14.2 million in 15M2017. This was attributable to higher marketing and distribution costs such as higher agent commission, agency fees and marketing campaigns and events like roadshows and publicity in line with the higher sales and revenue activity. Operating and administrative expenses increased from S\$4.0 million or 67.3% in 12M2016 to S\$6.7 million in 15M2017 due to higher staff costs in line with higher project development activity and higher professional and corporate fees associated with the RTO incurred for the year.

Share of losses from equity-accounted investee increased S\$0.6 million or 59.3% from S\$1.0 million in the previous comparative year to S\$1.6 million in the current year. This share of loss arose from the Group's investment in Thailand which revenue from the sales of property is recognized upon delivery of the property after development. The higher losses recognized by the Group increased due to higher operating, marketing and project management expenses incurred in relation to the "Posh Twelve" project in Thailand.

The Group recorded a net profit after tax of S\$5.4 million in 5Q2017 compared to S\$4.4 million in 1Q2017, representing an increase of S\$1.0 million or 23.7% mainly due to increase in sales. On a year to date basis, the Group recorded a net profit after tax of S\$25.4 million in 15M2017 compared to S\$17.3 million in 12M2016, an increase of 46.6%.

Statement of Financial Position

The total assets of the Group increased by S\$63.6 million from S\$130.8 million as at 31 December 2016 to S\$194.4 million as at 31 March 2018. Together with the increase in total liabilities for the same period of S\$30.0 million, the Group's net assets has increased from S\$30.4 million as at 31 December 2016 to S\$64.0 million as at 31 March 2018.

The current assets of the Group increased by S\$64.1 million to S\$194.3 million as at 31 March 2018 from S\$130.2 million as at 31 December 2016. The increase was mainly due to the inclusion of the current assets of the Non-Property Division of S\$8.4 million upon the Completion and the increase in current assets of the Property Division of approximately S\$55.6 million. The current assets of the Non-Property Division as at 31 March 2018 include: (i) trade and other receivables of S\$6.3 million, (ii) inventories of S\$0.6 million and (iii) cash and bank balances of S\$1.5 million.

The increase in current assets of the Property Division of approximately S\$55.6 million was mainly due to the following: (i) net increase in development cost incurred during 15M2017 of S\$41.5 million from increase in billing of costs from contractors in line with the completion of Phase 1 of the Puteri Cove Project after offsetting for the costs recognised in the income statement during 12M2017 of S\$41.1 million, (ii) an increase in the trade receivables of the Property Division by S\$17.7 million to S\$23.3 million as at 31 March 2018 from S\$5.6 million as at 31 December 2016 was due to an increase in the certified billings to buyers for the stage of billing achieved in 5Q2017 and (iii) an increase in other receivables and other current assets by S\$6.5 million to S\$18.7 million as at 31 March 2018 from S\$12.1 million as at 31 December 2016. The increase in other receivables and other current assets are mainly due to shareholder loans granted during RTO, working capital requirements for an Associate Company and offset with other receivables which have been paid off.

The non-current liabilities of the Group decreased by S\$8.5 million to S\$42.0 million as at 31 March 2018 from S\$50.5 million as at 31 December 2016 due to Property Division's repayment of loans, offset by additional draw down from bridging and fixed loans and additional unwinding of implicit interest component of loans from non-controlling interests.

The current liabilities of the Group increased by S\$38.5 million to S\$88.4 million as at 31 March 2018 from S\$49.9 million as at 31 December 2016 mainly due to the inclusion of the current liabilities of the Non-Property Division of approximately S\$4.6 million upon the Completion and increase of current liabilities of Property Division of S\$33.9 million. The current liabilities of the Non-Property Division comprised (i) trade and other payables of approximately S\$1.7 million, (ii) advanced billings of S\$1.7 million and (iii) provision of warranty of S\$1.2 million. The increase in current liabilities of the Property Division was mainly due to (i) higher progress claims raised by the main contractor of S\$6.6 million and offset by lower payables by S\$4.5 million, (ii) additional current tax liabilities of S\$4.4 million, (iii) increase of Joint Venture of S\$1.1 million due to share of 15M2017 losses from equity-accounted investee, (iv) bank borrowings of S\$20.1 million for the construction of Puteri Cove Project in Malaysia and (v) deferred income of S\$1.8 million.

Cash Flow Statement

The Group's 15M2017 net cash used in operating activities increased by S\$4.5 million, which arose mainly due to lower cash usage in operating activities after movements in working capital of S\$0.6 million and higher tax payment of S\$4.4 million. The Group's operating cash flow before working capital changes for 15M2017 also increased by S\$18.2 million as compared to 12M2016, mainly due to (i) higher profit before income tax (net) of S\$12.1 million, (ii) adjustments for the loss of disposal of the vehicle sub-division of S\$2.8 million in 15M2017, (iii) adjustments for the reversal of impairment loss on other receivables of S\$2.8 million in 12M2016 and offset by the adjustments for a gain on acquisition of subsidiaries (negative goodwill) of S\$1.2 million in 15M2017.

The Group's increase in cash used in investing activities in 15M2017 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 as well as the proceeds from disposal of vehicle sub-division of S\$0.4 million and proceeds from the disposal of plant and equipment of S\$0.3 million.

The Group's increase in cash generated from financing activities for 15M2017 by S\$7.8 million to S\$25.7 million 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\$4.6 million to pay for the cash consideration upon the Completion, offset by lower drawdown of loan from former holding company of S\$0.8 million and lower drawdown of bank loan of S\$4.6 million for the payment for the construction of Puteri Cove Project in Malaysia.

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.

Property Division

The Property Division continues to tap on its network of relationships with several leading real estate players and investors throughout ASEAN to fulfill its corporate mission as an ASEAN premier developer.

In Malaysia, the Group has received the Certificate of Completion and Compliance for Phase 1 of Puteri Cove Project which comprises two 32-storey residential towers, four SOHO blocks and a 2-storey lifestyle retail centre. This marks an important milestone which speaks volumes of the execution and development expertise of the Group.

With the buying demand for new condominiums gradually trending upwards due to rising population in Iskandar Puteri and other catalysts such as the upcoming Kuala Lumpur-Singapore high speed rail and Johor Bahru-Singapore Rapid Transit system, the Group's Puteri Cove Project which is strategically located at Puteri Harbour and a short walk to the International Ferry Terminal, is well positioned to benefit from the stronger market sentiments.

Given the increase in Thailand's economic forecast for 2018 to 4.2% from 3.8%¹ due to higher exports and larger government spending on public infrastructure projects, the Group's development project known as The Posh Twelve in Bangkok continues to see strong buyer interests and sustained sales momentum. Being located within a 3-minute walk from Thailand's Ministry of Public Health MRT station on the Purple Line MRT, it offers a modern lifestyle living and other strong value propositions that have attracted local buyers and international investors.

In Jakarta, pursuant to the Memorandum of Understanding with PT Kukuh Mandiri Lestari to jointly develop mixed-use of high rise developments on 10 hectares of prime sea-front land in Pantai Indah Kapuk 2, the Group is in the process of negotiating with the Indonesia landowner and embarking on the development activities in this very important gateway city of ASEAN in due course and will make the necessary announcements as and when appropriate.

¹ According to the information published on *The Nation Online* (a Thailand newspaper) dated 30 January 2018.

Non-Property Division

The Aluminum Division continues to operate in a cost competitive and change-oriented construction industry. In light of the number of successful collective sales transacted and the continuing supply of new HDB flats to be built in 2018, the Group will capitalize on the resurgent residential (private and public) property market and actively participate in tenders so as to increase new order books and sustain future earnings.

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 27 April 2017 pursuant to Rule 920 for the financial period ended 31 March 2018.

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3, Q4, Q5 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 fifth quarter and fifteen months ended 31 March 2018 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, 8 May 2018

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. Ong Hwee Li, SAC Capital Private Limited at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. Telephone number: +65 6532 3829.