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Unaudited Financial Statements And Dividend Announcement For The Three-Month Period And Nine-Month Period Ended 31 March 2021 For Pacific Star Development Limited (the "Company" and together with its subsidiaries, the "Group")

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 2020. This QR announcement is mandatory, made pursuant to the Exchange's requirements as required under Listing Rule 705(2C) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

A Comparative financial periods

For the purposes of this results announcement:

- The current financial quarter being reported on, pertains to the financial quarter from 1 January 2021 to 31 March 2021 and shall be referred to herein as "**3QFY2021**";
- The corresponding financial quarter of the immediately preceding financial year, i.e. the financial quarter from 1 January 2020 to 31 March 2020, shall be referred to herein as "**3QFY2020**";
- The nine-month financial period from 1 July 2020 to 31 March 2021 shall be referred to herein as "**9MFY2021**";
- The corresponding nine-month financial period from 1 July 2019 to 31 March 2020 shall be referred to herein as "**9MFY2020**";
- The financial year ended 30 June 2020 shall be referred to herein as "**FY2020**"; and
- The financial statements are presented in Singapore Dollars ($) and all values are rounded to the nearest thousand ($'000) unless otherwise stated.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, 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.**

Consolidated Statement of Comprehensive Income

		The Group					
	Note	3QFY2021 $'000	3QFY2020 $'000	Changes %	9MFY2021 $'000	9MFY2020 $'000	Changes %
The Group							
Revenue		674	3,516	(81)	1,017	5,638	(82)
Cost of sales		(618)	(2,982)	(79)	(898)	(4,829)	(81)
Gross profit		**56**	**534**	(90)	**119**	**809**	(85)
Other operating income		435	682	(36)	2,495	2,156	16
Expenses:							
Marketing and distribution		-	104	(100)	-	(123)	(100)
Administrative	**1**	(1,823)	(1,435)	27	(4,803)	(4,653)	3
Other expenses	**2**	(1,332)	(47)	N.M.	(3,905)	(597)	N.M.
Finance costs	**1**	(5,398)	(5,418)	(0)	(15,494)	(15,495)	(0)
Share of results of joint venture	**3**	(35)	(1,752)	(98)	(326)	(2,109)	(85)
Share of results of associate	**3**	(90)	(639)	(86)	(149)	(807)	(82)
Loss before tax		**(8,187)**	**(7,971)**	3	**(22,063)**	**(20,819)**	6
Income tax expense		-	-	N.M.	-	-	N.M.
Net loss for the financial period		**(8,187)**	**(7,971)**	3	**(22,063)**	**(20,819)**	6
Other comprehensive income, net of tax:							
Items that may be reclassified subsequently to profit or loss							
Currency translation differences arising from:							
- consolidation		(124)	163	N.M.	(4)	366	N.M.
- joint venture		-	(283)	(100)	-	(217)	(100)
- associate		-	46	(100)	-	27	(100)
Total comprehensive loss for the financial period		**(8,311)**	**(8,045)**	3	**(22,067)**	**(20,643)**	7
Net loss attributable to:							
Owners of the Company		**(8,187)**	**(7,971)**	3	**(22,063)**	**(20,819)**	6
Total comprehensive loss attributable to:							
Owners of the Company		**(8,311)**	**(8,045)**	3	**(22,067)**	**(20,643)**	7

N.M. Not meaningful

Note 1 Transactional costs relating to loans and borrowings amounting to approximately $427,000 and $1,034,000 for 3QFY2020 and 9MFY2020 respectively were reclassified from administrative expenses to finance costs to conform to the presentation adopted for the FY2020 audited financial statements.

Note 2 Other expenses

	The Group			
	3QFY2021 $'000	3QFY2020 $'000	9MFY2021 $'000	9MFY2020 $'000
Trade receivables written off	1,288	-	3,424	-
Penalties and fines	44	-	130	-
Adjudication costs and related expenses	1	51	342	349
(Reversal of)/Expected credit loss on amount due from third parties	(1)	-	9	-
GST receivable written off	-	-	-	204
Expenses pertaining to Aluminium Division, currently under liquidation	-	(4)	-	44
	1,332	47	3,905	597

Trade receivables written off arose as a result of certain buyers of multiple units at Puteri Cove Residences ("**PCR**") canceling one of their purchased units and applying the deposit for such cancelled unit to the remaining unit. This resulted in the write-off of the trade receivables relating to the cancelled units.

Penalties and fines relate largely to late charges imposed as a result of delay in payment with regard to a contractor's adjudicated claims, delay in payment to contractors and maintenance and sinking funds payment to be made to the Resident Committee of PCR (the "**Resident Committee**").

Note 3 Share of results of joint venture and associate

The Group's development project in Bangkok, Thailand, known as The Posh Twelve ("**P12**"), is held through the Group's joint venture and associate.

As announced on 3 February 2020, the main contractor for P12 had issued a notice of stoppage of work due to disputes in respect of payments and construction progress. On 23 June 2020, the Company announced that pursuant to a strategic review, Minaret Holdings Limited ("**Minaret**"), the Group's joint venture company, had initiated bankruptcy proceedings against Kanokkorn Pattana Co., Ltd. ("**KNK**"), the developer of P12, by recalling the loans made by Minaret to KNK (the "**KNK Bankruptcy**"). On 6 April 2021, the Company announced that the Thai Bankruptcy Court will issue its judgement on 14 May 2021.

During 3QFY2021, the share of results of joint venture and associate relate to the funding provided by the Group to see through the KNK Bankruptcy (9MFY2021: funding provided by the Group to see through the KNK Bankruptcy and sales and purchase agreement with a buyer as announced on 17 September 2020 which has been cancelled on 26 January 2021 and announced on the same date).

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

		The Group			
	Note	3QFY2021 $'000	3QFY2020 $'000	9MFY2021 $'000	9MFY2020 $'000
Loss before income tax has been arrived at after charging/(crediting):					
Finance costs	1	5,398	5,418	15,494	15,495
Trade receivables written off		1,288	-	3,424	-
Foreign exchange net loss/(gain)		952	(241)	507	(538)
Amortisation of deferred costs		66	-	94	-
Depreciation of right-of-use assets		64	64	190	191
Depreciation of property, plant and equipement		4	4	18	22
Cancellation of sale and purchase agreements		(579)	-	(1,734)	-
Forfeiture income		(172)	(2)	(446)	(664)
Gain on disposal of property, plant and equipment		(68)	-	(68)	-
Amortisation of deferred income		(34)	-	(111)	-
Interest income		(10)	(382)	(68)	(841)
(Reversal of)/Expected credit loss on amount due from third parties		(1)	-	9	-

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

Balance Sheets		**The Group**		**The Company**	
		31-Mar-21	**30-Jun-20**	**31-Mar-21**	**30-Jun-20**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets					
Property, plant and equipment		50	69	-	-
Right-of-use assets		235	424	-	-
Investment in subsidiaries		-	-	13,246	13,246
Deferred costs		133	306	-	-
Total non-current assets		418	799	13,246	13,246
Current assets					
Deferred costs		272	87	-	-
Development properties	4	135,658	135,236	-	-
Trade receivables		1,624	5,934	-	-
Other receivables and other current assets	5	375	841	3,212	3,254
Cash and bank balances		709	3,320	57	104
Restricted cash	6	1,855	1,748	-	-
Total current assets		140,493	147,166	3,269	3,358
Total assets		**140,911**	**147,965**	**16,515**	**16,604**
Non-current liabilities					
Loans and borrowings		39,215	41,096	-	-
Lease liabilities		-	205	-	-
Trade payables		248	249	-	-
Other payables	7	695	60	-	-
Total non-current liabilities		40,158	41,610	-	-
Current liabilities					
Loans and borrowings		112,563	96,224	-	-
Lease liabilities		274	248	-	-
Trade payables		14,739	21,273	-	-
Other payables	7	36,064	25,285	18,472	17,612
Deferred income		61	114	43	76
Joint venture	8	-	-	-	-
Associate	8	-	-	-	-
Current tax liabilities		6,308	10,400	-	-
Total current liabilities		170,009	153,544	18,515	17,688
Total liabilities		**210,167**	**195,154**	**18,515**	**17,688**
Net liabilities		**(69,256)**	**(47,189)**	**(2,000)**	**(1,084)**
Capital and reserves attributable to owners of the Company					
Share capital		47,801	47,801	197,055	197,055
Treasury shares		-	-	(513)	(513)
Accumulated losses		(118,386)	(96,323)	(198,542)	(197,626)
Reserves		1,329	1,333	-	-
Total capital deficiency		**(69,256)**	**(47,189)**	**(2,000)**	**(1,084)**

Note 4 Development properties

The development properties relate to the Group's PCR project located in Iskandar Puteri, Malaysia, which is developed by the principal subsidiary of the Group, Pearl Discovery Development Sdn. Bhd. ("**PDD**").

Note 5 Other receivables and other current assets

	The Group		The Company	
	31-Mar-21	30-Jun-20	31-Mar-21	30-Jun-20
	$'000	$'000	$'000	$'000
Deposits	208	217	-	7
Prepayments	111	213	18	33
Sundry debtors	29	21	-	6
Grants receivables	12	42	8	33
Net GST receivables	15	348	9	1
Due from a subsidiary	-	-	3,177	3,174
	375	841	3,212	3,254

Note 6 Restricted cash

As at 31 March 2021, the restricted cash relates largely to the Debt Service Reserve Account ("**DSRA**") placement in relation to a bank facility provided to a subsidiary ("**Facility A**").

Note 7 Other Payables

	The Group		The Company	
	31-Mar-21	30-Jun-20	31-Mar-21	30-Jun-20
	$'000	$'000	$'000	$'000
Non-current				
Goods and Services Tax clawback and penalties payable	660	-	-	-
Others	35	60	-	-
	695	60	-	-
Current				
Due to a related party	9,501	9,370	3,651	3,651
Accruals	8,494	6,373	312	260
Resident Committee account	1,990	1,883	-	-
Penalties payable	1,480	3,055	-	-
Deposits received	1,190	385	-	-
Accrued interest	1,056	-	-	-
Sundry creditors	562	590	-	56
Goods and Services Tax clawback and penalties payable	417	1,398	-	-
Due to liquidators of subsidiaries	410	410	410	410
Due to associate	1	1	-	-
Due to subsidaries	-	-	14,099	13,235
Others	10,963	1,820	-	-
	36,064	25,285	18,472	17,612

<u>Goods and Services Tax clawback and penalties payables</u>

The amount relates to the clawback of over-claimed Goods and Services Tax ("**GST**") recoverable and penalties imposed by the Malaysia Customs ("**Customs**") on the Company's wholly-owned subsidiary, PDD, for over-claim of GST in prior years. During the previous financial quarter ended 31 December 2020, Customs granted a three-year instalment plan and, accordingly, those scheduled payments that are not due within the next twelve (12) months are presented as non-current liabilities.

Due to a related party

The amount relates to advances from 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**”).

As at 31 March 2021, amount due to a related party relates to advances from PSDH (the control of which is now vested in the Trustee). The balance comprises $5.65 million of interest-free loans (with effect from 1 July 2018), $3.50 million of loans bearing 5% interest per annum (with effect from 6 February 2020) and accrued interest amounting to $0.35 million. These advances are subordinated to the $70 million loan facility provided by a group of third parties (the “**Loan Facility**”).

Resident Committee account

The Resident Committee account relates largely to maintenance and sinking funds and the associated late interest charges for unsold PCR units.

Penalties payable

This amount relates to penalties imposed by the Inland Revenue Board of Malaysia (“**IRB**”) on PDD, a wholly-owned subsidiary of the Company, for late payment and under-estimated chargeable income subjected to corporate income tax in prior years. The penalties payable reduced by $1.58 million from 30 June 2020 to 31 March 2021 due to scheduled repayment together with the partial payment of income tax liabilities.

Deposits received

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

Due to liquidator of subsidiaries

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 will be paid to the liquidator of these subsidiaries prior to the completion of the liquidation. The Company had announced on 22 May 2019 its intention to discontinue its Aluminium business via a creditors’ voluntary liquidation.

Note 8 Joint venture and associate

The purpose of investments in joint venture and associate was to hold KNK, the developer of the P12 project.

Joint venture relates to the Group’s 51% equity interest in Minaret held by a wholly-owned subsidiary of the Company. As Minaret is subjected 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.

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.

Subsequent to the KNK Bankruptcy (see Note 3 of this announcement), the constructive obligations to continue funding the P12 project through the associate and joint venture have ceased.

Note 9 Cash and cash equivalent for consolidated cash flow statement

	The Group	
	31-Mar-21	**31-Mar-20**
Cash at bank	709	3,482
Add: Bank overdraft	(2,478)	(2,244)
Cash and cash equivalent	(1,769)	1,238

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

	The Group			
	31-Mar-21		30-Jun-20	
	$'000 Secured	$'000 Unsecured	$'000 Secured	$'000 Unsecured
Repayable in one year or less, or on demand	112,563	-	96,224	-
Repayable, after one year	39,215	-	41,096	-

Details of any collateral

As at 31 March 2021, the Group's total borrowings comprises (i) $98.97 million under the Loan Facility (repayable within one (1) year) and (ii) $52.81 million consisting of $11.11 million of bank loans and bank overdraft of $2.48 million which are repayable within one (1) year and $39.22 million of loans which are repayable after one (1) year. The bank loans and overdraft facility from a bank in Malaysia is hereby referred to as Facility A.

Although the Loan Facility was due on 29 December 2020, the group of lenders that provided the Loan Facility (the "**Lenders**") have not called for repayment at this point of time. The Lenders remain constructive in the discussions relating to the Additional Financing and Package Deal (both capitalised terms as defined on page 15 of this announcement respectively).

The Loan Facility 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 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).

As announced on 11 February 2021, the bank has granted a deferment of three (3) months (from January 2021 to March 2021) for the repayment of principal for Facility A which was to be made monthly in arrears with effect from January 2021, and a deferment of an additional three (3) months (from April 2021 to June 2021) subject to the bank's satisfaction that the proposed terms for the Package Deal (as defined on page 15 of this announcement) are finalised.

Facility A 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 Company'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.

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

Consolidated Cash Flow Statement	Note	The Group			
		3QFY2021 $'000	3QFY2020 $'000	9MFY2021 $'000	9MFY2020 $'000
Cash flows from operating activities					
Loss before income tax		**(8,187)**	**(7,971)**	**(22,063)**	**(20,819)**
Adjustments for:					
Finance costs	**1**	5,398	5,418	15,494	15,495
Trade receivables written off		1,288	-	3,424	-
Share of results of associate		90	639	149	807
Amortisation of deferred costs		66	-	94	-
Depreciation of right-of-use assets		64	64	190	191
Share of results of joint venture		35	1,752	326	2,109
Depreciation of property, plant and equipment		4	4	18	22
GST receivable written off		-	-	-	204
Cancellation of sale and purchase agreements		(579)	-	(1,734)	-
Forfeiture income		(172)	(2)	(446)	(664)
Gain on disposal of property, plant and equipment		(68)	-	(68)	-
Amortisation of deferred income		(34)	-	(111)	-
Interest income		(10)	(382)	(68)	(841)
(Reversal of)/Expected credit losses on amount due from third parties		(1)	-	9	-
Operating cash flow before working capital changes		**(2,106)**	**(478)**	**(4,786)**	**(3,496)**
Movement in working capital:					
Changes in trade and other payables		3,821	(5,062)	3,798	1,198
Changes in development properties		566	1,935	482	(2,496)
Changes in trade, other receivables and other current assets		(294)	2,945	1,848	3,006
Effects of currency translation on working capital		1,295	(273)	517	(592)
Cash flows generated from/(used in) operations		3,282	(933)	1,859	(2,380)
Interest income received		10	141	68	144
Finance costs paid		(651)	(2,237)	(1,750)	(3,715)
Income tax paid		(3,687)	-	(4,077)	(297)
Net cash used in operating activities		**(1,046)**	**(3,029)**	**(3,900)**	**(6,248)**
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		68	-	68	-
Additions to property, plant and equipment		-	-	-	(6)
Funding to joint venture		(35)	-	(326)	-
Funding to associate		(90)	-	(149)	-
Net cash used in investing activities		**(57)**	**-**	**(407)**	**(6)**
Cash flows from financing activities					
Repayment of lease liabilities		(78)	(66)	(198)	(216)
Net proceeds from bank loan		-	3,406	1,940	3,406
Proceeds from loans from Lenders		-	3,500	-	8,079
Movement in fixed deposit pledged with banks		-	103	-	103
Movement in restricted cash		-	(3,414)	(118)	(3,415)
Net cash (used in)/generated from financing activities		**(78)**	**3,529**	**1,624**	**7,957**
Net (decrease)/increase in cash and cash equivalents		(1,181)	500	(2,683)	1,703
Effect of currency translation on cash and cash equivalents		12	(8)	9	(19)
Cash and cash equivalents at the beginning of the financial period		(600)	746	905	(446)
Cash and cash equivalents at the end of the financial period	**9**	**(1,769)**	**1,238**	**(1,769)**	**1,238**

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.**

For the financial quarter ended 31 March 2021
Statement of Changes in Equity

The Group	**Share capital** $'000	**Accumulated losses** $'000	**Foreign currency translation reserve** $'000	**Total (capital deficiency) /equity** $'000
Balance as at 1 July 2020	**47,801**	**(96,323)**	**1,333**	**(47,189)**
Net loss for the financial period	-	(13,876)	-	(13,876)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	120	120
Total comprehensive loss for the financial period	-	(13,876)	120	(13,756)
Balance as at 31 December 2020	**47,801**	**(110,199)**	**1,453**	**(60,945)**
Net loss for the financial period	-	(8,187)	-	(8,187)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	(124)	(124)
Total comprehensive loss for the financial period	-	(8,187)	(124)	(8,311)
Balance as at 31 March 2021	**47,801**	**(118,386)**	**1,329**	**(69,256)**
Balance as at 1 July 2019	**47,801**	**(39,111)**	**1,009**	**9,699**
Net loss for the financial period	-	(12,848)	-	(12,848)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	203	203
- joint venture	-	-	66	66
- associate	-	-	(19)	(19)
Total comprehensive loss for the financial period	-	(12,848)	250	(12,598)
Balance as at 31 December 2019	**47,801**	**(51,959)**	**1,259**	**(2,899)**
Net loss for the financial period	-	(7,971)	-	(7,971)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	163	163
- joint venture	-	-	(283)	(283)
- associate	-	-	46	46
Total comprehensive loss for the financial period	-	(7,971)	(74)	(8,045)
Balance as at 31 March 2020	**47,801**	**(59,930)**	**1,185**	**(10,944)**

Statement of Changes in Equity
For the financial quarter ended 31 March 2021

The Company	**Share capital** $'000	**Treasury shares** $'000	**Accumulated losses** $'000	**Total (capital deficiency) /equity** $'000
Balance as at 1 July 2020	**197,055**	**(513)**	**(197,626)**	**(1,084)**
Net loss for the financial period	-	-	(585)	(585)
Balance as at 31 December 2020	**197,055**	**(513)**	**(198,211)**	**(1,669)**
Net loss for the financial period	-	-	(331)	(331)
Balance as at 31 March 2021	**197,055**	**(513)**	**(198,542)**	**(2,000)**
Balance as at 1 July 2019	**197,055**	**(513)**	**(160,028)**	**36,514**
Net loss for the financial period	-	-	(734)	(734)
Balance as at 31 December 2019	**197,055**	**(513)**	**(160,762)**	**35,780**
Net loss for the financial period	-	-	(361)	(361)
Balance as at 31 March 2020	**197,055**	**(513)**	**(161,123)**	**35,419**

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.

	As at 31 March 2021		**As at 31 December 2020**	
	Number of ordinary shares	**$’000**	**Number of ordinary shares**	**$’000**
Issued and fully paid ordinary shares	502,336,278	197,055	502,336,278	197,055

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

As at 31 March 2021 and 31 March 2020, the Company had no outstanding instruments convertible into shares of the Company.

As at 31 March 2021 and 31 March 2020, there are no subsidiary holdings in the Company.

Please refer to 1(d)(iii) for details regarding treasury shares.

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.

	31-Mar-21	30-Jun-20
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
% of treasury shares over total number of issued shares	0.5%	0.5%

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.

As at 31 March 2021, the Company held 2,675,400 (30 June 2020: 2,675,400) treasury shares. 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 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.

3A. 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.

Not applicable in accordance with Paragraph 3A of Appendix 7C of the Catalist Rules, as the auditors have issued a disclaimer opinion in relation to the use of the going concern assumption in most recent audited financial statements for FY2020.

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

Not applicable as explained above.

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 financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statements for FY2020, except as stated in Section 5 of this announcement below.

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 Group has adopted the new accounting standards, amendment and interpretation to existing standards which is mandatory for accounting periods beginning on or after 1 January 2020. The adoption of the new accounting standards, amendment and interpretation of the existing standards did not have any material impact on the Group's results.

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

	The Group			
	3QFY2021	**3QFY2020**	**9MFY2021**	**9MFY2020**
Loss for the financial period ($)	(8,187,000)	(7,971,000)	(22,063,000)	(20,819,000)
Weighted average number of ordinary shares	499,660,878	499,660,878	499,660,878	499,660,878
Basic and diluted Earning Per Share ("EPS") (Singapore cents)	**(1.64)**	**(1.60)**	**(4.42)**	**(4.17)**

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 in issue during the respective financial period.

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

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-21	**30-Jun-20**	**31-Mar-21**	**30-Jun-20**
Net liabilities ($)	(69,256,000)	(47,189,000)	(2,000,000)	(1,084,000)
Number of issued shares	499,660,878	499,660,878	499,660,878	499,660,878
Net liabilities per share (Singapore cents)	**(13.86)**	**(9.44)**	**(0.40)**	**(0.22)**

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.

Review of Statement of Comprehensive Income

3QFY2021 vs 3QFY2020

Revenue and cost of sales

The Group's revenue decreased by $2.85 million from $3.52 million in 3QFY2020 to $0.67 million in 3QFY2021. The reduction in revenue was largely attributable to the lower number of PCR units sold. The reduction of cost of sales was in tandem with the reduction in sales.

Other operating income

Other operating income decreased by $0.24 million from $0.68 million in 3QFY2020 to $0.44 million in 3QFY2021. The decrease was largely attributable to a decrease of $0.69 million in foreign exchange gain, $0.37 million reduction in interest income which was partially offset by a $0.58 million increases in income attributable to the cancellation of sales and purchase agreements ("**SPAs**"), $0.17 million in forfeiture income for deposits collected from terminated SPAs for PCR units, $0.07 million of gain on disposal of property, plant and equipment.

Administrative expenses

The $0.39 million reduction in administrative expenses between 3QFY2021 and 3QFY2020. The administrative expense in 3QFY2021 included $0.95 million of foreign exchange loss, excluding such foreign exchange loss, administrative expenses reduced by $0.56 million which was largely attributable to general reduction in overheads.

Other expenses

The $1.28 million increase in other expenses from $0.05 million in 3QFY2020 to $1.33 million in 3QFY2021 was largely due to an increase of $1.29 million of trade receivables written off as a result of cancellation of SPAs for PCR units.

Share of results of joint venture and associate

As explained in Note 3 of this announcement, the share of results of joint venture and associate for 3QFY2021 pertains to the funding provided by the Group to see through KNK Bankruptcy.

Net loss for the financial period

The Group's net loss after tax increased by $0.22 million from $7.97 million in 3QFY2020 to $8.19 million in 3QFY2021. The increase was largely attributable to lower gross profit, reduction in other income and increase in other expenses which was partly offset by lower share of losses from joint venture and associate and reduction in administrative expenses as explained in the preceding paragraphs.

9MFY2021 vs 9MFY2020

Revenue and cost of sales

The Group's revenue of $1.02 million for 9MFY2021 was $4.62 million lower as compared to $5.64 million in 9MFY2020. The reduction was attributable to the lower number of PCR units sold. The reduction in cost of sales was in tandem with the reduction in sales.

Other operating income

Other operating income increased by $0.34 million from $2.16 million in 9MFY2020 to $2.50 million in 9MFY2021. The increase was largely attributable to an increase of $1.73 million of the effects of cancellation of SPAs for PCR units and $0.11 million of government grants which was offset partially by a $0.77 million reduction in interest income, $0.54 million reduction in foreign exchange gain and $0.22 million reduction in forfeiture income.

Administrative expenses

The $0.15 million decrease in administrative expenses, the administrative expense in 3QFY2021 included $0.51 million of foreign exchange loss, excluding such foreign exchange loss, administrative expenses reduced by $0.36 million which was largely attributable to general reduction in overheads**.**

Other expenses

As explained in Note 2 of this announcement, the $3.31 million increase in other expenses was largely attributable to an increase of $3.42 million of trade receivables written off as a result of cancellation of SPAs for PCR units and $0.13 million increase in penalties and fines which was partly offset by the absence of $0.20 million in GST receivable written off.

Share of results of joint venture and associate

As explained in Note 3 of this announcement, the share of results of joint venture and associate for 9MFY2021 pertains to the funding provided by the Group to see through KNK Bankruptcy and the sales and purchase agreement with a buyer (as announced on 17 September 2020) which has been cancelled on 26 January 2021 as announced on the same date.

Net loss for the financial period

The Group's net loss after tax increased by $1.24 million from $20.82 million in 9MFY2020 to $22.06 million in 9MFY2021. The increase was largely attributable to lower gross profit and increase in other expenses which was partly offset by increase of other operating income, reduction in share of losses of joint venture and associate and decrease in administrative expenses as explained in the preceding paragraphs.

Review of Balance Sheets

Company

Net liabilities

Company's net liabilities increased by $0.92 million from $1.08 million as at 30 June 2020 to $2.00 million as at 31 March 2021 due to the operational overheads incurred (and recorded in accumulated losses) for the 9MFY2021.

Group

Total assets

Total assets of the Group decreased by $7.06 million from $147.97 million as at 30 June 2020 to $140.91 million as at 31 March 2021. The reduction was largely attributable to the $3.42 million of trade receivables written off due to the cancellation of SPAs for PCR units and $0.89 million of routine collection of trade receivables, a $0.47 million reduction in other receivables and other current assets, a reduction of $2.61 million of cash and bank balances due to scheduled payment of creditors and payment of overheads and $0.19 million reduction in right-of-use assets due to routine depreciation. These reductions of $7.58 million was partly offset by $0.11 million net increase in restricted cash in form of DSRA and $0.42 million net increase in development properties as construction of Tower 3 PCR progresses.

Total liabilities

Total liabilities of the Group increased by $15.02 million from $195.15 million as at 30 June 2020 to $210.17 million as at 31 March 2021. This increase is mainly due to a $14.46 million increase in loans and borrowings as a result of further drawn down of Facility A and capitalisation of interest for the Loan Facility and $4.88 million increase in trade and other payables which were partially offset by $4.09 million of repayment of tax liabilities and $0.18 million reduction of lease liabilities due to scheduled repayments.

Current trade payables reduced by $6.53 million from $21.27 million as at 30 June 2020 to $14.74 million as at 31 March 2021 while current other payables increased by $10.77 million from $25.29 million as at 30 June 2020 to $36.06 million as at 31 March 2021. As at 31 March 2021, the "others" under current other payables in Note 7 of this announcement include $10.65 million of amount due to a party that purchased some of the Group's liabilities which explained the changes between in trade payables and other payables for the 9 months ended 31 March 2021.

Going concern and working capital position

As at 31 March 2021, the Group's net liability position amounted to $69.26 million and the Company's net current liability position amounted to $15.25 million. The Company's net current liabilities of $15.25 million as at 31 March 2021, comprises mainly $3.65 million due to PSDH which is subordinated to the Loan Facility and $14.10 million due to subsidiaries. As at the date of this announcement, there is no indication that the amounts due to PSDH and the subsidiaries will be recalled.

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

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

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

(ii) The going concern of the Group.

The ability of the Group to operate as a going concern is dependent on the materialisation of the proposed additional financing from the Lenders (the "**Additional Financing**") and the sale of the Group's unsold units at PCR.

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

(1) The negative implications and sentiments driven by the current COVID-19 pandemic;

(2) The Group is in various stages of discussions with various parties in relation to the en bloc sale of Tower 3 in PCR as well as bulk sale of between 10 to 50 units in Tower 1 & 2 of PCR;

(3) The Group is in discussions with the Lenders for Additional Financing and are finalising the draft term sheet. Discussions are on-going with the Lenders and lender of Facility A. The Additional Financing, if it materialises, will enable the Group to meet its short-term obligations;

(4) Although the Loan Facility was due on 29 December 2020, the Lenders have not called for repayment at this point of time. The Lenders remain constructive in the discussions relating to the Additional Financing and Package Deal (as defined below). In relation to the Loan Facility, the Group has received a draft term sheet relating to amendments of existing contractual terms, including the extension of the maturity date, of the Loan Facility. The amendments to the contractual terms of the Loan Facility, the Additional Financing, the waiver of the breaches of covenants (for both the Loan Facility and Facility A) as well as the amendment to the contractual terms of Facility A (arising from the Additional Financing, if required) are commercially viewed as a package deal (the "**Package Deal**"). The significance of the Package Deal is that it will enable the Group to restructure a significant portion of its loans and borrowing from current to non-current, provide additional funding to the Group and enabling the Group to avoid the risks of contractual defaults and cross defaults; and

(5) The Group's cash flow projection for the next 12 months.

The Board considered the above and concluded:

(a) Unless the COVID-19 pandemic is brought under control globally, the fruition of such discussions as presented in item (2) above will likely be delayed. Despite the Group's best effort, the fruition of such measures as described in item (2) above is uncertain and not within the control of the Group;

(b) The sale of units in PCR to individual buyers has slowed down significantly and may continue to be so until the COVID-19 pandemic is brought under control globally;

(c) Currently, there is no clear indication as to how long the COVID-19 pandemic will last, the extent of the damage to global economy; and when various countries will lift travel restrictions; and

(d) The progress of the commercial discussions on the Package Deal has not been concluded.

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, and 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 are to 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 presently 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. 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 stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

Review of Cash Flow Statement

3QFY2021

In 3QFY2021, net cash used in operating activities amounted to $1.05 million which was mainly attributable to finance costs paid of $0.65 million and $3.69 million of income tax paid which was partially offset by $3.28 million cash inflow from operations.

In 3QFY2021, the $0.06 million of cash used in investing activities relate to the funding provided to joint venture and associate which was partially offset by proceeds from disposal of property, plant and equipment.

In 3QFY2021, the Group's net cash used in financing activities amounted to $0.08 million which was due to the repayment of lease liabilities.

9MFY2021

In 9MFY2021, net cash used in operating activities amounted to $3.90 million which was mainly due to finance costs paid of $1.75 million and $4.08 million of income tax paid which was partially offset by $1.86 million cash inflow from operations.

In 9MFY2021, the $0.41 million of cash used in investing activities relate to $0.48 million of funding provided to joint venture and associate which was partially offset by $0.07 million of proceeds from disposal of property, plant and equipment.

In 9MFY2021, the Group's net cash generated from financing activities amounted to $1.62 million which was largely due to the $1.94 million drawdown from the Facility A which was partially offset by $0.20 million repayment of lease liabilities and $0.12 million increase in placement of DSRA (restricted cash).

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

Not applicable.

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.

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

On the macroeconomic front, the COVID-19 pandemic resulted in an unprecedented tandem of economic shocks and extensive travel disruptions, causing lockdowns in Malaysia, Singapore and all major economies. Unemployment rates have spiked significantly, economic growth turned negative and the spectre of general uncertainties has significantly increased from the perspective of potential buyers. As at the date of this announcement, the risk of resurgence of COVID-19 has not subsided for many economies. Realistically, it seems increasingly likely that until a significant proportion of the worldwide population have been vaccinated, COVID-19 will continue to be a threat to the global population and global economy. Most companies, including the Group, will be going through a harsh economic winter.

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 and the reason(s) for the decision.

No dividend was declared as there were no profits for the financial period ended 31 March 2021.

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.

No IPT mandate was obtained by the Company. The IPT during 9MFY2021 is set out below for information. This IPT pertains to interest relating to a financing line provided previously by PSDH to the Group. The relevant interest rate is 5.0% per annum, applied towards an amount of $3,500,000 under the aforementioned financing.

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			
PSD Holdings Pte. Ltd. (the control of which is vested is now vested in the Trustee)	Controlling shareholder	131,129	Nil

14. Confirmation 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).

15. 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 2021 to be false or misleading in any material aspect.

On behalf of the Board
PACIFIC STAR DEVELOPMENT LIMITED

Ying Wei Hsein
Executive Chairman
10 May 2021

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. David Yeong, SAC Capital Private Limited at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542. Telephone number: +65 6232 3210.