

Press Release

For Immediate release

**Pacific Star Development continues its advance,
reporting S\$6.2 million net profit for 1H2017**

- *Registers revenue of S\$18.1 million and S\$33.0 million and net profit of S\$1.8 million and S\$6.2 million for 2Q2017 and 1H2017 respectively*
- *Net loss attributable to shareholders was S\$0.4 million for 2Q2017 and net profit attributable to shareholders was S\$1.8 million for 1H2017 due to the one-time loss on the disposal of Vehicle Division and one-off expenses related to the Group's reserve takeover ("RTO") on 15 February 2017.*
- *Property Division continues to drive the Group's improved performance, with the Group seeking to expand its property development business in ASEAN's gateway cities*

SINGAPORE, 14 August 2017 – Pacific Star Development Limited ("PSD" or the "Company", and together with its subsidiaries, the "Group"), an ASEAN-focused real estate developer listed on the Singapore Stock Exchange, reported net profit of S\$6.2 million for its first half ended 30 June ("1H") 2017. The Group's performance was contributed by its Property Division which has driven the majority of the sales and profit for both the second quarter ended 30 June ("2Q") 2017 and 1H2017.

The Group registered revenue of S\$18.1 million in 2Q2017, mainly from sales by the Property Division. The Property Division contributed about 93% of the Group's 2Q2017 revenue, driven by sales of the Group's multiple award-winning mixed-use Iskandar Puteri development project, Puteri Cove Residences and Quayside. The Non-Property Division's (*comprising the Aluminium and Vehicle Divisions*) revenue decreased to S\$1.2 million in 2Q2017, as a result of most projects from the Non-Property Division having completed in FY2016 and following the completion of the disposal of the vehicle sub-division in 2Q2017. In line with the increase in revenue from the Property Division, the Group recorded S\$8.4 million in gross profit in 2Q2017.

The Group incurred operating and administrative expenses of S\$1.2 million in 2Q2017, mainly by the Property Division following the completion of the RTO. The Group also incurred other operating expenses of S\$3.0 million in 2Q2017, mainly due to the one-off loss incurred of S\$2.8 million on the disposal of the vehicle sub-division from the waiver of the receivables and the non-controlling

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interest of the vehicle sub-division. As of 25 May 2017, the Vehicle Division ceased to be a sub-division of the Group. Going forward, the Group will continue to evaluate how best to streamline the operations of the Aluminium Division and improve the profitability of this division.

Excluding the one-off loss on disposal of the vehicle sub-division and one-off expenses related to the RTO, the Group's net profit attributable to equity holders would be S\$2.3 million for 2Q2017 and S\$4.6 million for 1H2017.

Commenting on the results, **Mr Glen Chan, CEO and Managing Director of PSD**, said, *"We are pleased that we were able to maintain our profitability momentum amidst on-going efforts to grow the Group's business that is now underpinned by its property development projects. The first two towers of Puteri Cove Residences are close to 70% sold to date and are scheduled for completion by end 2017. With Iskandar Puteri buoyed by manufacturing, tourism and other economic activities, coupled with upcoming improvements to its transport infrastructure, we expect rising demand for the balance of unsold units in Puteri Cove Residences.*

In Bangkok, Thailand, we have scheduled the official launch of The Posh Twelve in Q4 2017 in tandem with the completion of new connections to MRT transit routes from our project. Our ongoing regional road shows in Hong Kong and several Chinese cities coupled with local sales events have resulted in almost 50% take up of the units released thus far.

We foresee that the twin engines of urbanization and public transportation linkages shall be the drivers of demand in ASEAN's residential and commercial property sectors in the years to come and we believe that, barring unforeseen circumstances, the Group is well positioned to capitalize on these growth trends."

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About Pacific Star Development Limited (PSD)

Pacific Star Development Limited is an ASEAN-focused developer listed on the Singapore Stock Exchange. With over a decade in real estate investment management and development experience, the property division of the Company has acquired both an extensive regional network as well as a solid background in development management, counting among its past investments the highly

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successful mixed-use project Pavilion in Kuala Lumpur. The Property Division has previously invested in and completed two residential projects in key prime locations in Bangkok and two in Kuala Lumpur. Currently, the Group has two projects on hand, Puteri Cove Residences and Quayside in Malaysia, and a joint-venture development in Thailand, The Posh Twelve. The Group's Non-Property Division comprises its aluminium building works business in Singapore with a BCA top grading (L6) and over 30 years of solid track record.

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

About Puteri Cove Residences and Quayside

Puteri Cove Residences and Quayside is a multiple-award winning freehold mixed-use development located in the FIABCI-winning master planned Iskandar Puteri, comprising a condominium with 658 luxury apartments in two 32-storey tower blocks, SOHO, lofts, Pan Pacific serviced suites, and an exciting Lifestyle Retail Centre, all overlooking One°15 managed private marina. It is one of the most successful projects in Iskandar Puteri with buyers from more than 28 different countries. The two residential towers, SOHO and lofts will be completed by 4Q2017 whilst the retail promenade and service suites are expected to operate by 2Q2018.

For more information, please visit www.putericoveresidences.com

About The Posh Twelve

The Posh Twelve is a freehold condominium with apartments in two blocks and 7 commercial units in Tiwanon, Bangkok. The tallest residential development in its area, it is fully furnished with extensive amenities, well-connected (a three minute walk from the MRT station), and offers maximum value and convenience to a middle income target market. It is slated for completion in 4Q2019.

For more information, please visit www.the_posh12.com

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