

**PACIFIC STAR**  
DEVELOPMENT LIMITED

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Business Reg. No: 198203779D

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**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

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The board of directors (the “**Board**”) of Pacific Star Development Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited financial statements and dividend announcement for the first quarter ended 30 September 2020 (“**1QFY2021**”) dated 14 December 2020 (the “**1QFY2021 Results Announcement**”) released via SGXNet.

Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the 1QFY2021 Results Announcement.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to update on certain material variances to the 1QFY2021 Results Announcement upon the finalisation of the audit and issuance of the auditor’s report dated 14 January 2021 by the Company’s external auditors, Ernst & Young LLP (the “**Independent Auditors’ Report**”), on the related audited financial statements for the financial year ended 30 June 2020 (“the “**Audited Financial Statements**”). The details and explanations of the material variances are set out in Appendix A as annexed hereto.

With regard to this announcement, shareholders of the Company (the “**Shareholders**”) are advised to read it in conjunction with the Independent Auditors’ Report released by the Company, the Audited Financial Statement as well as the material variances announcement for the financial year ended 30 June 2020 (“**FY2020**”), all of which were released on SGX-ST on 14 January 2021.

Shareholders are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

The Board confirms that to the best of their knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

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

**Ying Wei Hsein**  
**Executive Chairman**  
**14 January 2021**

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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**”).

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.

## Appendix A

### (i) Consolidated Statement of Comprehensive Income

Group	1QFY2021	1QFY2021	1QFY2020	Variances			Note
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	(Previously announced)	(Updated)		(Previously announced)	(Updated)	Changes	
	A	B	C	D=A-C	E=B-C	F=E-D	
<b>Revenue</b>	-	-	-	-	-	-	
Cost of sales	-	-	-	-	-	-	
<b>Gross profit</b>	-	-	-	-	-	-	
Other operating income	1,085	937	648	437	289	(148)	1
<b>Expenses:</b>							
Marketing and distribution	-	-	(174)	174	174	-	
Administrative	(1,173)	(1,178)	(1,194)	21	16	(5)	2
Other expenses	(574)	(574)	(252)	(322)	(322)	-	
Finance costs	(5,021)	(5,024)	(5,117)	96	93	(3)	3
Share of results of joint venture	(455)	(455)	(45)	(410)	(410)	-	
Share of results of associate	(31)	(31)	(83)	52	52	-	
<b>Loss before tax</b>	(6,169)	(6,325)	(6,217)	48	(108)	(156)	
Income tax expense	-	-	-	-	-	-	
<b>Net loss for the financial period</b>	(6,169)	(6,325)	(6,217)	48	(108)	(156)	
<b>Other comprehensive income, net of tax:</b>							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Currency translation differences arising from							
- consolidation	303	147	325	(22)	(178)	(156)	4
- joint venture	200	200	(17)	217	217	-	
- associate	14	14	(16)	30	30	-	
	517	361	292	225	69	(156)	
<b>Total comprehensive loss for the financial period</b>	<b>(5,652)</b>	<b>(5,964)</b>	<b>(5,925)</b>	<b>273</b>	<b>(39)</b>	<b>(312)</b>	
<b>Net loss after tax for the financial period attributable to:</b>							
Owners of the Company	<b>(6,169)</b>	<b>(6,325)</b>	<b>(6,217)</b>	<b>48</b>	<b>(108)</b>	<b>(156)</b>	
<b>Total comprehensive loss for the financial period attributable to:</b>							
Owners of the Company	<b>(5,652)</b>	<b>(5,964)</b>	<b>(5,925)</b>	<b>273</b>	<b>(39)</b>	<b>(312)</b>	

## Appendix A

### (ii) Group's Consolidated Balance Sheet

<b>\$'000</b>	<b>The Group</b>				<b>Variances</b>			<b>Note</b>
	<b>30-Sep-20</b>	<b>30-Sep-20</b>	<b>30-Jun-20</b>	<b>30-Jun-20</b>	<b>(Previously</b>	<b>(Updated)</b>	<b>Changes</b>	
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>(Previously</b>	<b>(Updated)</b>	<b>G=F-E</b>	
	<b>(Previously</b>	<b>(Updated)</b>	<b>(Previously</b>	<b>(Audited)</b>	<b>announced)</b>	<b>(Previously</b>	<b>(Updated)</b>	
	<b>announced)</b>		<b>announced</b>		<b>announced)</b>			
					<b>E=A-C</b>	<b>F=B-D</b>	<b>G=F-E</b>	
<b>Non-current assets</b>								
Property, plant and equipment	59	59	69	69	(10)	(10)	-	
Right-of-use assets	361	361	424	424	(63)	(63)	-	
Investment in subsidiaries	-	-	-	-	-	-	-	
Deferred costs	-	302	-	306	-	(4)	(4)	5
<b>Total non-current assets</b>	<b>420</b>	<b>722</b>	<b>493</b>	<b>799</b>	<b>(73)</b>	<b>(77)</b>	<b>(4)</b>	
<b>Current assets</b>								
Deferred costs	444	105	422	87	22	18	(4)	5
Development properties	141,859	137,284	139,761	135,236	2,098	2,048	(50)	6
Trade receivables	4,062	4,127	5,892	5,934	(1,830)	(1,807)	23	7
Other receivables and other current assets	461	461	841	841	(380)	(380)	-	
Cash at bank	2,375	2,375	3,320	3,320	(945)	(945)	-	
Restricted cash	1,886	1,886	1,748	1,748	138	138	-	
<b>Total current assets</b>	<b>151,087</b>	<b>146,238</b>	<b>151,984</b>	<b>147,166</b>	<b>(897)</b>	<b>(928)</b>	<b>(31)</b>	
<b>Total assets</b>	<b>151,507</b>	<b>146,960</b>	<b>152,477</b>	<b>147,965</b>	<b>(970)</b>	<b>(1,005)</b>	<b>(35)</b>	
<b>Non-current liabilities</b>								
Loans and borrowings	33,894	33,883	33,360	41,096	534	(7,213)	(7,747)	8
Lease liabilities	129	129	205	205	(76)	(76)	-	
Trade payables	251	251	249	249	2	2	-	
Other payables	144	144	60	60	84	84	-	
<b>Total non-current liabilities</b>	<b>34,418</b>	<b>34,407</b>	<b>33,874</b>	<b>41,610</b>	<b>544</b>	<b>(7,203)</b>	<b>(7,747)</b>	
<b>Current liabilities</b>								
Loans and borrowings	109,760	109,750	103,919	96,224	5,841	13,526	7,685	8
Lease liabilities	280	280	248	248	32	32	-	
Trade payables	10,610	20,363	11,627	21,273	(1,017)	(910)	107	9
Other payables	24,829	24,894	25,451	25,285	(622)	(391)	231	10
Deferred income	101	101	114	114	(13)	(13)	-	
Joint venture	-	-	-	-	-	-	-	
Associate	-	-	-	-	-	-	-	
Current tax liabilities	10,307	10,318	10,390	10,400	(83)	(82)	1	11
<b>Total current liabilities</b>	<b>155,887</b>	<b>165,706</b>	<b>151,749</b>	<b>153,544</b>	<b>4,138</b>	<b>12,162</b>	<b>8,024</b>	
<b>Total liabilities</b>	<b>190,305</b>	<b>200,113</b>	<b>185,623</b>	<b>195,154</b>	<b>4,682</b>	<b>4,959</b>	<b>277</b>	
<b>Net liabilities</b>	<b>(38,798)</b>	<b>(53,153)</b>	<b>(33,146)</b>	<b>(47,189)</b>	<b>(5,652)</b>	<b>(5,964)</b>	<b>(312)</b>	
<b>Capital and reserves attributable to owners of the Company</b>								
Share capital	47,801	47,801	47,801	47,801	-	-	-	
Treasury shares	-	-	-	-	-	-	-	
Accumulated losses	(87,940)	(102,648)	(81,771)	(96,323)	(6,169)	(6,325)	(156)	12
Reserves	1,341	1,694	824	1,333	517	361	(156)	13
<b>Capital deficiency attributable to owners of the Company and total capital deficiency</b>	<b>(38,798)</b>	<b>(53,153)</b>	<b>(33,146)</b>	<b>(47,189)</b>	<b>(5,652)</b>	<b>(5,964)</b>	<b>(312)</b>	

## Appendix A

### (iii) Company's Balance Sheet

<b>\$'000</b>	<b>The Company</b>				<b>Variances</b>			<b>Note</b>
	<b>30-Sep-20</b>	<b>30-Sep-20</b>	<b>30-Jun-20</b>	<b>30-Jun-20</b>	<b>(Previously</b>	<b>(Updated)</b>	<b>Changes</b>	
	<b>(Previously</b>	<b>(Updated)</b>	<b>(Previously</b>	<b>(Audited)</b>	<b>announced)</b>	<b>(Updated)</b>	<b>(Previously</b>	
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E=A-C</b>	<b>F=B-D</b>	<b>G=F-E</b>	
<b>Non-current assets</b>								
Property, plant and equipment	-	-	-	-	-	-	-	-
Right-of-use assets	-	-	-	-	-	-	-	-
Investment in subsidiaries	49,198	13,246	49,198	13,246	-	-	-	-
Deferred costs	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>49,198</b>	<b>13,246</b>	<b>49,198</b>	<b>13,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>								
Deferred costs	-	-	-	-	-	-	-	-
Development properties	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Other receivables and other current assets	3,239	3,239	3,254	3,254	(15)	(15)	-	-
Cash at bank	61	61	104	104	(43)	(43)	-	-
<b>Total current assets</b>	<b>3,300</b>	<b>3,300</b>	<b>3,358</b>	<b>3,358</b>	<b>(58)</b>	<b>(58)</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>52,498</b>	<b>16,546</b>	<b>52,556</b>	<b>16,604</b>	<b>(58)</b>	<b>(58)</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>								
Loans and borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>								
Loans and borrowings	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-	-	-
Other payables	17,831	17,831	17,612	17,612	219	219	-	-
Deferred income	70	70	76	76	(6)	(6)	-	-
Joint venture	-	-	-	-	-	-	-	-
Associate	-	-	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>17,901</b>	<b>17,901</b>	<b>17,688</b>	<b>17,688</b>	<b>213</b>	<b>213</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>17,901</b>	<b>17,901</b>	<b>17,688</b>	<b>17,688</b>	<b>213</b>	<b>213</b>	<b>-</b>	<b>-</b>
<b>Net assets/(liabilities)</b>	<b>34,597</b>	<b>(1,355)</b>	<b>34,868</b>	<b>(1,084)</b>	<b>(271)</b>	<b>(271)</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves attributable to owners of the Company</b>								
Share capital	197,055	197,055	197,055	197,055	-	-	-	-
Treasury shares	(513)	(513)	(513)	(513)	-	-	-	-
Accumulated losses	(161,945)	(197,897)	(161,674)	(197,626)	(271)	(271)	-	-
Reserves	-	-	-	-	-	-	-	-
<b>Equity/(Capital deficiency) attributable to owners of the Company and total equity/(capital deficiency)</b>	<b>34,597</b>	<b>(1,355)</b>	<b>34,868</b>	<b>(1,084)</b>	<b>(271)</b>	<b>(271)</b>	<b>-</b>	<b>-</b>

## Appendix A

### (iv) Consolidated cash flow statement

	The Group			Note
	1QFY2021 \$'000 (Previously announced)	1QFY2021 \$'000 (Updated)	Variance \$'000	
<b>Cash flows from operating activities</b>				
Loss before tax	(6,169)	(6,325)	(156)	14
Adjustments for:				
Finance costs	5,021	5,024	3	15
Trade receivables written off	476	476	-	
Share of results of joint venture	455	455	-	
Depreciation of right-of-use assets	63	63	-	
Share of results of associate	31	31	-	
Depreciation of property, plant and equipment	10	10	-	
Expected credit loss on trade receivables	10	10	-	
Amortisation of deferred cost	-	8	8	16
Effects of cancellation of sales and purchase agreements	(242)	(242)	-	
Reversal of over-provision of penalties relating to GST clawback	(166)	-	166	17
Forfeiture income	(43)	(43)	-	
Interest income	(35)	(35)	-	
<b>Operating cash flow before working capital changes</b>	<b>(589)</b>	<b>(568)</b>	<b>21</b>	
Movement in working capital:				
Changes in trade, other receivables and other current assets	1,501	1,478	(23)	18
Changes in trade and other payables	(1,570)	(1,464)	106	19
Changes in development properties	(167)	(167)	-	
Changes in deferred income	8	8	-	
Effects of currency translation on working capital	(731)	(835)	(104)	20
Cash flows used in operations	(1,548)	(1,548)	-	
Interest income received	8	8	-	
Finance costs paid	(456)	(456)	-	
Income tax paid	(196)	(196)	-	
<b>Net cash used in operating activities</b>	<b>(2,192)</b>	<b>(2,192)</b>	<b>-</b>	
<b>Cash flows from investing activity</b>				
Purchase of property, plant and equipment	-	-	-	
<b>Net cash used in investing activity</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cash flows from financing activities</b>				
Net proceeds from bank loan	1,296	1,296	-	
Movement in restricted cash	(117)	(117)	-	
Repayment of lease liabilities	(51)	(51)	-	
<b>Net cash generated from financing activities</b>	<b>1,128</b>	<b>1,128</b>	<b>-</b>	
<b>Net decrease in cash and cash equivalents</b>	<b>(1,064)</b>	<b>(1,064)</b>	<b>-</b>	
Effect of currency translation on cash and cash equivalents	(22)	(22)	-	
Cash and cash equivalents at the beginning of financial period	905	905	-	
<b>Cash and cash equivalents at the end of financial period</b>	<b>(181)</b>	<b>(181)</b>	<b>-</b>	

## Appendix A

### Notes

- 1 The \$148,000 variance for other income was attributable to reversal of \$166,000 of over-provision for the penalties relating to the GST clawback as such reversal had been taken up as prior period adjustments in the Audited Financial Statements and a \$4,000 reclassification made to administrative expenses which was partially offset by the recognition of \$22,000 of rental income from retail units at Puteri Cove Quayside (“PCQ”). Such recognition of rental income is to conform to the accounting policy adopted for the Audited Financial Statements.
- 2 The variance of \$5,000 for administrative expenses was attributable to \$8,000 increase in amortisation of deferred costs (renovation subsidy) to match against the rental income (Note 1) which was partially offset by the reclassification of \$4,000 from other income as explained in Note 1.
- 3 The variance of \$3,000 for finance costs was attributable to the additional amortisation of the transactional cost pertaining to the Facility A as a result of prior period adjustments made in the Audited Financial Statements.
- 4 The \$0.16 million variance for the currency translation differences arising from consolidation was largely attributable to cumulative effects of the prior period adjustments made to the FY2020 financial statements of a foreign subsidiary whose functional currency was Malaysian Ringgit.
- 5 The \$8,000 variance related to deferred costs was attributable to the routine amortisation of the deferred costs as explained in Note 2.
- 6 The \$50,000 variance for development properties pertained to effects of foreign currency translation on prior period adjustments made to the balance sheet as at 30 June 2020.
- 7 The \$23,000 variance for trade receivables was largely attributable to the \$22,000 of rental income recognised for the retail units at PCQ as explained in Note 1 and a \$1,000 effect on translation differences arising from the differences in the exchange rates used to translated a foreign subsidiary’s income statement and balance sheet.
- 8 The net variance of \$62,000 for loans and borrowings (both non-current and current) was largely attributable to changes to the \$41,000 increase in the audited balance for loans and borrowings as at 30 June 2020 as well as the effects of changes in the exchange rates as at 30 September 2020 and 30 June 2020 that were used to translate the balance sheets.
- 9 The \$0.11 million variance for trade payables was largely attributable to the effects on translation differences arising from the differences in the exchange rates used as at 30 September 2020 and 30 June 2020 to translate the prior period adjustments relating to trade payables.
- 10 The \$0.23 million variance for other payables was largely attributable to the \$0.17 million reversal of over-provision for the penalties relating to the GST clawback as explained in Note 1 as well as the effects of changes in the exchange rates as at 30 September 2020 and 30 June 2020 that were used to translate the prior period adjustments.
- 11 The \$1,000 variance for income tax liabilities was attributable to the effects of changes in the exchange rates as at 30 September 2020 and 30 June 2020 that were used to translate the prior period adjustments.
- 12 The \$0.16 million variance for accumulated losses was attributable to the cumulative effects of the adjustments made to the income statement for 1QFY2021 as explained in Notes 1 to 3.

## Appendix A

### Notes (continued)

- 13** The \$0.16 million variance for reserve was attributable to the changes in foreign currency translation reserve due to the cumulative effects of the differences in the exchange rates as at 30 September 2020 and 30 June 2020 to translated prior period adjustments.
- 14** The \$0.16 million increase in loss before tax was attributable to the cumulative adjustments made to the income statement as explained in Notes 1 to 3.
- 15** The \$3,000 increase in finance costs was attributable to the increase in amortisation of transactional costs for the Facility A as explained in Note 3.
- 16** The \$8,000 increase in amortisation of deferred costs was explained in Note 2.
- 17** The \$166,000 reduction in accrual for penalties relating to GST clawback was explained in Note 1.
- 18** The \$23,000 reduction in changes in trade, other receivables and other current assets was explained in Note 7.
- 19** The \$0.11 million reduction in changes in trade and other payables was explained in Note 9.
- 20** The \$0.10 million variance in effects of currency translation on working capital was attributable to the cumulative effects of changes in the exchange rates as at 30 September 2020 and 30 June 2020 that were used to translate the prior period adjustments.