

# **PACIFIC STAR**

## **DEVELOPMENT LIMITED**

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

### **Unaudited Condensed Interim Financial Statements For The Three-Month And Nine-Month Financial Period Ended 31 March 2022**

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 2021. This QR announcement is mandatory, made pursuant to the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) requirements as required under Listing Rule 705(2C) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

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.

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## **Pacific Star Development Limited and its Subsidiaries**

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Pacific Star Development Limited and its Subsidiaries

Consolidated Statement Of Comprehensive Income  
For the three-month and nine-month financial period ended 31 March 2022

	Note	The Group			
		Three months ended		Nine months ended	
		31-Mar-22 \$'000	31-Mar-21 \$'000	31-Mar-22 \$'000	31-Mar-21 \$'000
Revenue	4	261	674	2,405	1,017
Cost of sales		(247)	(618)	(2,381)	(898)
<b>Gross profit</b>		<b>14</b>	<b>56</b>	<b>24</b>	<b>119</b>
Other operating income	5	78	435	280	2,495
<b>Expenses:</b>					
Administrative		(1,713)	(1,823)	(5,018)	(4,803)
Other expenses	6	(24)	(1,332)	(24)	(3,905)
Finance costs	7	(10,414)	(5,398)	(30,616)	(15,494)
Share of results of joint venture	8	-	(35)	(98)	(326)
Share of results of associate	8	(30)	(90)	(43)	(149)
<b>Loss before tax</b>	9	<b>(12,089)</b>	<b>(8,187)</b>	<b>(35,495)</b>	<b>(22,063)</b>
Income tax expense		-	-	-	-
<b>Net loss for the financial period</b>		<b>(12,089)</b>	<b>(8,187)</b>	<b>(35,495)</b>	<b>(22,063)</b>
<b>Other comprehensive income, net of tax:</b>					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences arising from:					
- consolidation		43	(124)	39	(4)
		43	(124)	39	(4)
<b>Total comprehensive loss for the financial period</b>		<b>(12,046)</b>	<b>(8,311)</b>	<b>(35,456)</b>	<b>(22,067)</b>
<b>Net loss attributable to:</b>					
Owners of the Company		<b>(12,089)</b>	<b>(8,187)</b>	<b>(35,495)</b>	<b>(22,063)</b>
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		<b>(12,046)</b>	<b>(8,311)</b>	<b>(35,456)</b>	<b>(22,067)</b>
<b>Earnings per share</b>		<b>Singapore</b>	<b>Singapore</b>	<b>Singapore</b>	<b>Singapore</b>
		<b>cents per</b>	<b>cents per</b>	<b>cents per</b>	<b>cents per</b>
		<b>share</b>	<b>share</b>	<b>share</b>	<b>share</b>
<b>Loss for the financial period attributable to</b>					
<b>owners of the Company</b>					
Basic and diluted	10	<b>(2.42)</b>	<b>(1.64)</b>	<b>(7.10)</b>	<b>(4.42)</b>

Pacific Star Development Limited and its Subsidiaries

Balance Sheets  
As at 31 March 2022

	Note	The Group		The Company	
		31-Mar-22 \$'000	30-Jun-21 \$'000	31-Mar-22 \$'000	30-Jun-21 \$'000
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	-	-
Property, plant and equipment		20	51	-	2
Right-of-use assets		-	171	-	-
Deferred costs		131	272	-	-
Other receivables	11	-	-	3,345	-
<b>Total non-current assets</b>		<b>151</b>	<b>494</b>	<b>3,345</b>	<b>2</b>
<b>Current assets</b>					
Deferred costs		322	254	-	-
Development properties	12	126,876	129,090	-	-
Trade receivables		719	845	-	-
Other receivables and other current assets	11	377	566	40	3,296
Cash at bank		853	149	34	14
Restricted cash	13	2,914	1,241	-	-
<b>Total current assets</b>		<b>132,061</b>	<b>132,145</b>	<b>74</b>	<b>3,310</b>
<b>Total assets</b>		<b>132,212</b>	<b>132,639</b>	<b>3,419</b>	<b>3,312</b>
<b>Non-current liabilities</b>					
Loans and borrowings	14	218,361	46,671	4,162	-
Trade payables		51	51	-	-
Other payables	15	3,141	621	15,141	-
<b>Total non-current liabilities</b>		<b>221,553</b>	<b>47,343</b>	<b>19,303</b>	<b>-</b>
<b>Current liabilities</b>					
Loans and borrowings	14	2,588	118,352	-	3,651
Lease liabilities		-	200	-	-
Trade payables		9,526	11,975	-	-
Other payables	15	11,851	28,021	640	15,193
Deferred income		-	39	-	17
Current tax liabilities		1,452	6,011	-	-
<b>Total current liabilities</b>		<b>25,417</b>	<b>164,598</b>	<b>640</b>	<b>18,861</b>
<b>Total liabilities</b>		<b>246,970</b>	<b>211,941</b>	<b>19,943</b>	<b>18,861</b>
<b>Net liabilities</b>		<b>(114,758)</b>	<b>(79,302)</b>	<b>(16,524)</b>	<b>(15,549)</b>
<b>Capital and reserves attributable to owners of the Company</b>					
Share capital	16	47,801	47,801	197,055	197,055
Treasury shares	17	-	-	(513)	(513)
Accumulated losses		(163,813)	(128,318)	(213,066)	(212,091)
Foreign currency translation reserve		1,254	1,215	-	-
<b>Capital deficiency attributable to owners of the Company</b>		<b>(114,758)</b>	<b>(79,302)</b>	<b>(16,524)</b>	<b>(15,549)</b>
<b>Net liabilities per share (Singapore cents per share)</b>	18	<b>(22.97)</b>	<b>(15.87)</b>	<b>(3.31)</b>	<b>(3.11)</b>

## Statements of Changes In Equity

For the three-month and nine-month financial period ended 31 March 2022

	Attributable to owners of the Company			
	Share capital	Accumulated losses	Foreign currency translation reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>				
<b>Balance as at 1 July 2020</b>	<b>47,801</b>	<b>(96,323)</b>	<b>1,333</b>	<b>(47,189)</b>
Net loss for the financial period	-	(6,325)	-	(6,325)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- joint venture	-	-	200	200
- consolidation	-	-	147	147
- associate	-	-	14	14
Reclassification from foreign currency translation reserve	-	214	(214)	-
Total comprehensive loss for the financial period	-	(6,111)	147	(5,964)
Balance as at 30 September 2020	47,801	(102,434)	1,480	(53,153)
Net loss for the financial period	-	(7,765)	-	(7,765)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	(27)	(27)
Net loss for the financial period	-	(7,765)	(27)	(7,792)
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)
Net loss for the financial period	-	(8,187)	(124)	(8,311)
Balance as at 31 March 2021	47,801	(118,386)	1,329	(69,256)
Net loss for the financial period	-	(9,932)	-	(9,932)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	(114)	(114)
Net loss for the financial period	-	(9,932)	(114)	(10,046)
<b>Balance as at 30 June 2021</b>	<b>47,801</b>	<b>(128,318)</b>	<b>1,215</b>	<b>(79,302)</b>
<b>Balance as at 1 July 2021 - unaudited as previously reported on 14 November 2021</b>	<b>47,801</b>	<b>(124,053)</b>	<b>1,183</b>	<b>(75,069)</b>
Effects of finalisation of audit for the financial year ended 30 June 2021	-	(4,265)	32	(4,233)
<b>Balance as at 1 July 2021 - audited</b>	<b>47,801</b>	<b>(128,318)</b>	<b>1,215</b>	<b>(79,302)</b>
Net loss for the financial period	-	(6,628)	-	(6,628)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	(17)	(17)
Total comprehensive loss for the financial period	-	(6,628)	(17)	(6,645)
Balance as at 30 September 2021	47,801	(134,946)	1,198	(85,947)
Net loss for the financial period	-	(16,778)	-	(16,778)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	-	13	13
Net loss for the financial period	-	(16,778)	13	(16,765)
Balance as at 31 December 2021	47,801	(151,724)	1,211	(102,712)
Net loss for the financial period	-	-	-	-
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from:				
- consolidation	-	(12,089)	-	(12,089)
Net loss for the financial period	-	(12,089)	43	(12,046)
<b>Balance as at 31 March 2022</b>	<b>47,801</b>	<b>(163,813)</b>	<b>1,254</b>	<b>(114,758)</b>

## Statements of Changes In Equity (cont'd)

For the three-month and nine-month financial period ended 31 March 2022

<u>The Company</u>	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total \$'000
<b>Balance as at 1 July 2020</b>	<b>197,055</b>	<b>(513)</b>	<b>(197,626)</b>	<b>(1,084)</b>
Net loss for the financial period representing total comprehensive loss for the financial period	-	-	(271)	(271)
Balance as at 30 September 2020	197,055	(513)	(197,897)	(1,355)
Net loss for the financial period representing total comprehensive loss for the financial period	-	-	(314)	(314)
Balance as at 31 December 2020	197,055	(513)	(198,211)	(1,669)
Net loss for the financial period representing total comprehensive loss for the financial period	-	-	(331)	(331)
Balance as at 31 March 2021	197,055	(513)	(198,542)	(2,000)
Net loss for the financial period representing total comprehensive loss for the financial period	-	-	(13,549)	(13,549)
<b>Balance as at 30 June 2021</b>	<b>197,055</b>	<b>(513)</b>	<b>(212,091)</b>	<b>(15,549)</b>
<b>Balance as at 1 July 2021 - unaudited as previously reported on 14 November 2021</b>	<b>197,055</b>	<b>(513)</b>	<b>(198,845)</b>	<b>(2,303)</b>
Effects of the finalisation audit for the financial year ended 30 June 2021	-	-	(13,246)	(13,246)
<b>Balance as at 1 July 2021 - audited</b>	<b>197,055</b>	<b>(513)</b>	<b>(212,091)</b>	<b>(15,549)</b>
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(265)	(265)
Balance as at 30 September 2021	197,055	(513)	(212,356)	(15,814)
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(279)	(279)
Balance as at 31 December 2021	197,055	(513)	(212,635)	(16,093)
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(431)	(431)
<b>Balance as at 31 March 2022</b>	<b>197,055</b>	<b>(513)</b>	<b>(213,066)</b>	<b>(16,524)</b>

Pacific Star Development Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the three-month and nine-month financial period ended 31 March 2022

	Note	The Group			
		Three months ended		Nine months ended	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Loss before income tax		(12,089)	(8,187)	(35,495)	(22,063)
Adjustments for:					
Finance costs		10,414	5,398	30,616	15,494
Amortisation of deferred costs		70	66	207	94
Depreciation of right-of-use assets		35	64	155	190
Share of results of associate		30	90	43	149
Loss/(Gain) on disposal of property, plant and equipment		16	(68)	14	(68)
Provision for/(Reversal of) expected credit losses					
on trade receivables		10	(1)	10	9
Depreciation of property, plant and equipment		5	4	20	18
Amortisation of deferred income		4	(34)	(30)	(111)
Remission of Goods and Services Tax clawback					
and penalties payable		(44)	-	(44)	-
Others		(2)	-	(10)	-
Trade receivables written-off		-	1,288	-	3,424
Share of results of joint venture		-	35	98	326
Effects of cancellation of sale and purchase agreements		-	(579)	-	(1,734)
Forfeiture income		-	(172)	(4)	(446)
Interest income		-	(10)	(61)	(68)
Operating cash flow before working capital changes		(1,551)	(2,106)	(4,481)	(4,786)
Movement in working capital:					
Changes in trade, other receivables and other current assets		101	(294)	288	1,848
Changes in development properties		76	566	1,115	482
Changes in trade and other payables		(4)	3,821	(16,947)	3,798
Changes in deferred costs		-	-	(64)	-
Effects of currency translation on working capital		614	1,295	633	517
Cash flows used in operations		(764)	3,282	(19,456)	1,859
Interest income received		-	10	61	68
Income tax paid		(97)	(3,687)	(4,542)	(4,077)
Finance costs paid		(424)	(651)	(1,643)	(1,750)
<b>Net cash used in operating activities</b>		<b>(1,285)</b>	<b>(1,046)</b>	<b>(25,580)</b>	<b>(3,900)</b>
<b>Cash flows from investing activities</b>					
Funding to associate		(30)	(90)	(43)	(149)
Purchase of property, plant and equipment		(1)	-	(5)	-
Proceeds from disposal of property, plant and equipment		-	68	2	68
Funding to joint venture		-	(35)	(98)	(326)
<b>Net cash used in investing activities</b>		<b>(31)</b>	<b>(57)</b>	<b>(144)</b>	<b>(407)</b>
<b>Cash flows from financing activities</b>					
Proceeds from loan from a related party		500	-	500	-
Proceeds from loans from the a group of lenders		452	-	32,000	-
Net (repayment of)/proceeds from bank loan		(406)	-	(574)	1,940
Repayment of lease liabilities		(38)	(78)	(182)	(198)
Movement in restricted cash		(29)	-	(5,315)	(118)
<b>Net cash generated from/(used in) financing activities</b>		<b>479</b>	<b>(78)</b>	<b>26,429</b>	<b>1,624</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(837)</b>	<b>(1,181)</b>	<b>705</b>	<b>(2,683)</b>
Effect of currency translation on cash and cash equivalents		(11)	12	(15)	9
Cash and cash equivalents at the beginning of financial period		(887)	(600)	(2,425)	905
<b>Cash and cash equivalents at the end of financial period</b>	<b>19</b>	<b>(1,735)</b>	<b>(1,769)</b>	<b>(1,735)</b>	<b>(1,769)</b>

## 1. Corporate information

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

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

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

## 2. Basis of preparation

The condensed interim financial statements for the three-month (“**3QFY2022**”) and nine-month (“**9MFY2022**”) financial period ended 31 March 2022 (the “**Financial Statements**”) have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The Financial Statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the financial position and performance of the Company and its subsidiaries (collectively the “**Group**”) since the last interim financial statements for the financial period ended 31 December 2021.

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

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

### 2.1 Going concern assumption

The Group’s results for 3QFY2022 and 9MFY2022 were adversely affected by the weak property market in Iskandar and the Group incurred a net loss of \$12,089,000 and \$35,495,000 in 3QFY2022 and 9MFY2022 respectively. As at 31 March 2022, the Group’s capital deficiency amounted to \$114,758,000 and the Group’s loans and borrowings amounted to \$220,949,000, of which \$2,588,000 were classified as current liabilities. The Group’s current assets of \$132,061,000 mainly comprise development properties amounting to \$126,876,000 as at 31 March 2022.

The Company incurred a net loss of \$431,000 and \$975,000 for 3QFY2022 and 9MFY2022 respectively. As at 31 March 2022, the Company’s current liabilities exceeded its current assets by \$566,000 and its capital deficiency amounted to \$16,524,000.

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

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.



**2. Basis of preparation (cont'd)**

**2.1 Going concern assumption (cont'd)**

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

- (i) the uncertainties associated with the outcome of the effort of governments across the region moving towards an endemic approach vis-à-vis the pandemic in their fight against COVID-19;
- (ii) the Group is in various stages of discussions with various parties in relation to the sale of significant numbers of units in PCR; and
- (iii) the Group's cash flow projection for the next twelve (12) months.

The Board considered the above and concluded that:

- (a) although Singapore and Malaysia have re-opened their borders, the risk of emergence of new variants of COVID-19 remains whilst business sentiments and economic recovery are at a nascent stage. Hence, the crystallisation of such discussions as presented in item (ii) above may be delayed. Despite the Group's best efforts, the fruition of such measures as described in item (ii) above is uncertain and not within the control of the Group;
- (b) the sale of units in PCR to individual buyers has not recovered to the pre-COVID-19 level; and
- (c) currently, there is no clear indication as whether new and deadly variants of COVID-19 will emerge and how various governments' plans to co-exist with COVID-19 will pan out.

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

**Shareholders and potential investors are advised to exercise caution in dealing of shares in the Company. 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.**

**2.2 Changes in accounting policies**

The Group has adopted the new accounting standards, amendments and interpretations of existing standards which are mandatory for accounting periods beginning on or after 1 July 2021. The adoption of the new accounting standards, amendments and interpretations of the existing standards did not have any material impact on the Group's results.

**3. Critical accounting judgments and key sources of estimation uncertainty**

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

### 3. Critical accounting judgments and key sources of estimation uncertainty (cont'd)

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the financial year ended 30 June 2021.

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

Key judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year included the following:

#### 3.1 Critical judgments in applying accounting policies

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

##### **Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such evidence or indication exists, based on the evaluation of both internal and external sources of information. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Based on management's assessment, other than the impairment of investment in subsidiaries and development properties that were already made, there were no indicators of impairment of other non-financial assets.

#### 3.2 Key sources of estimation uncertainty

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

##### **(a) Estimation of net realisable value for development properties**

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

The Group's carrying value of development properties as at 31 March 2022 is \$126,876,000 (30 June 2021: \$129,090,000).

##### **(b) Provision for expected credit losses for trade receivables**

The Group calculates Expected Credit Losses ("ECLs") for trade receivables based on the Group's historical observed default rates. The Group's ECLs adjusts for its historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

3. Critical accounting judgments and key sources of estimation uncertainty (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Provision for expected credit losses for trade receivables (cont'd)

In relation to the Group's trade receivables, the Group has limited credit risk because if overdue trade receivables are not collected, the Group will cancel the contracts, reverse the trade receivables and repossess the relevant PCR units. Hence, management is satisfied that, other than \$10,000 of ECLs provided in the income statement for 3QFY2022 and 9MFY2022, no material ECL is required on the Group's trade receivables.

The Group's carrying amount of trade receivables as at 31 March 2022 is \$719,000 (30 June 2021: \$845,000).

(c) Estimation of the recoverable value of the Company's investment in subsidiaries

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

The Company's investment in subsidiaries have been fully impaired as at 31 March 2022 and 30 June 2021.

4. Revenue

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

4.1 Seasonal operations

The Group's business is not affected significantly by seasonal or cyclical factors during 3QFY2022, 9MFY2022, the three-month financial period ended 31 March 2021 ("3QFY2021") and the nine-month financial period ended 31 March 2021 ("9MFY2021").

5. Other operating income

	The Group			
	3QFY2022 \$'000	3QFY2021 \$'000	9MFY2022 \$'000	9MFY2021 \$'000
Remission of Goods and Services Tax clawback and penalties payable	44	-	44	-
Rental income	26	17	71	67
Others	14	-	70	1
Government grants	(4)	34	30	111
(Loss)/Gain on disposal of property, plant and equipment	(2)	68	-	68
Effects of cancellation of sale and purchase agreements	-	579	-	1,734
Forfeiture income	-	172	4	446
Interest income	-	10	61	68
Foreign exchange loss	-	(445)	-	-
	78	435	280	2,495

6. Other expenses

	The Group			
	3QFY2022 \$'000	3QFY2021 \$'000	9MFY2022 \$'000	9MFY2021 \$'000
Loss on disposal of property, plant and equipment	14	-	14	-
Provision for/(Reversal of) expected credit losses on trade receivables	10	(1)	10	9
Trade receivables written-off	-	1,288	-	3,424
Penalties and fines	-	44	-	130
Adjudication costs and related expenses	-	1	-	342
	<u>24</u>	<u>1,332</u>	<u>24</u>	<u>3,905</u>

7. Finance costs

	The Group			
	3QFY2022 \$'000	3QFY2021 \$'000	9MFY2022 \$'000	9MFY2021 \$'000
Loans from a group of lenders:				
- interest expense	9,701	3,986	27,166	11,958
- amortisation of transactional costs	-	-	-	458
Loan from a bank:				
- interest expense	548	675	1,742	1,890
- amortisation of transactional costs	53	108	308	327
Interest expense for:				
- loans from a related party	45	43	112	131
- bank overdraft	44	39	131	123
- contractors and an affiliate of the group of lenders	13	541	1,122	588
- loan from a third party	9	-	30	-
- lease liabilities	1	6	5	19
	<u>10,414</u>	<u>5,398</u>	<u>30,616</u>	<u>15,494</u>

8. Share of results of joint venture/associate

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

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

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

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 had initiated bankruptcy proceedings against KNK by recalling the loans made by Minaret to KNK (the "KNK Bankruptcy"). On 17 May 2021, the Company announced that on 14 May 2021, the Thai Bankruptcy Court has granted an absolute receivership order for KNK. Subsequently, the Thai Department of Legal Execution assigned an official receiver for KNK and arranged for the receivership order to be published in the Royal Gazette of Thailand.

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

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

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

During 3QFY2022 and 9MFY2022, the share of results of joint venture and associate relate to the funding provided by the Group in relation to the maintenance of the live status of the associate and KNK Bankruptcy respectively.

**9. Loss before tax**

	<b>The Group</b>			
	<b>3QFY2022</b>	<b>3QFY2021</b>	<b>9MFY2022</b>	<b>9MFY2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Loss before tax has been arrived at after charging/(crediting):				
Finance costs	10,414	5,398	30,616	15,494
Foreign exchange net loss	470	952	704	507
Amortisation of deferred costs	70	66	207	94
Depreciation of right-of-use assets	35	64	155	190
Loss/(Gain) on disposal of property, plant and equipment	16	(68)	14	(68)
Provision for/(Reversal of) expected credit losses on trade receivables	10	(1)	10	9
Depreciation of property, plant and equipment	5	4	20	18
Amortisation of deferred income	4	(34)	(30)	(111)
Trade receivables written-off	-	1,288	-	3,424
Effects of cancellation of sale and purchase agreements	-	(579)	-	(1,734)
Forfeiture income	-	(172)	(4)	(446)
Interest income	-	(10)	(61)	(68)

**10. Earnings per share**

	<b>The Group</b>			
	<b>3QFY2022</b>	<b>3QFY2021</b>	<b>9MFY2022</b>	<b>9MFY2021</b>
Loss for the financial period (\$)	<u>(12,089,000)</u>	<u>(8,187,000)</u>	<u>(35,495,000)</u>	<u>(22,063,000)</u>
Weighted average number of ordinary shares	<u>499,660,878</u>	<u>499,660,878</u>	<u>499,660,878</u>	<u>499,660,878</u>
Basic and diluted Earnings Per Share ("EPS") (Singapore cents)	<u><b>(2.42)</b></u>	<u><b>(1.64)</b></u>	<u><b>(7.10)</b></u>	<u><b>(4.42)</b></u>

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

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

11. Other receivables and other current assets

	The Group		The Company	
	31-Mar-22 \$'000	30-Jun-21 \$'000	31-Mar-22 \$'000	30-Jun-21 \$'000
<b>Non-current</b>				
Due from subsidiaries	-	-	3,345	-
<b>Current</b>				
Deposits	146	209	-	-
Net GST receivables	17	12	13	7
Sundry debtors	7	26	-	-
Grant receivable	-	4	-	-
Due from subsidiaries	-	-	-	3,266
	170	251	13	3,273
Other prepayments	207	315	27	23
	377	566	40	3,296

As at 31 March 2022, the amount due from subsidiaries is presented as a non-current asset as it is subordinated to the Loans From Lenders (as defined in Note 14) which have a maturity date on 5 October 2023, being more than twelve (12) months from 31 March 2022.

12. Development properties

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

13. Restricted cash

As at 31 March 2022, the restricted cash relates largely to the Interest Service Reserve Account ("ISRA") (30 June 2021: Debt Service Reserve Account ("DSRA")) placement in relation to Facility A (as defined in Note 14).

During 2QFY2022, pursuant to the terms of the amended letter of offer with the bank that provided Facility A and subsequent to the placement of the ISRA from the funds obtained from the \$30 million financing provided by the group of lenders to PDD (the "OCP-PDD Loan"), the DSRA was applied towards the repayment of principal outstanding under Facility A (as defined in Note 14).

## 14. Loans and borrowings

	31-Mar-22			30-Jun-21		
	\$'000 Secured	\$'000 Unsecured	\$'000 Total	\$'000 Secured	\$'000 Unsecured	\$'000 Total
<b>The Group</b>						
<b>Non-current</b>						
Bank loan	46,056	-	46,056	46,671	-	46,671
OCP-TPG Loan	130,533	-	130,533	-	-	-
OCP-PDD Loan	31,584	-	31,584	-	-	-
CH Biovest Loan (I)	-	7,414	7,414	-	-	-
CH Biovest Loan (II)	-	512	512	-	-	-
DB2 Loan	-	2,262	2,262	-	-	-
	<u>208,173</u>	<u>10,188</u>	<u>218,361</u>	<u>46,671</u>	<u>-</u>	<u>46,671</u>
<b>Current</b>						
Bank loan	-	-	-	3,282	-	3,282
Bank overdraft	2,588	-	2,588	2,574	-	2,574
OCP-TPG Loan	-	-	-	102,951	-	102,951
PSDH Loans	-	-	-	-	9,545	9,545
	<u>2,588</u>	<u>-</u>	<u>2,588</u>	<u>108,807</u>	<u>9,545</u>	<u>118,352</u>
Total	<u>210,761</u>	<u>10,188</u>	<u>220,949</u>	<u>155,478</u>	<u>9,545</u>	<u>165,023</u>
<b>The Company</b>						
<b>Non-current</b>						
CH Biovest Loan (I)	-	2,797	2,797	-	-	-
CH Biovest Loan (II)	-	512	512	-	-	-
DB2 Loan	-	853	853	-	-	-
	<u>-</u>	<u>4,162</u>	<u>4,162</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Current</b>						
PSDH Loans	-	-	-	-	3,651	3,651
Total	<u>-</u>	<u>4,162</u>	<u>4,162</u>	<u>-</u>	<u>3,651</u>	<u>3,651</u>

Certain reclassifications have been made to balances as at 30 June 2021 to conform to the presentation adopted in the current financial period. Please refer to Note 22.

The bank loan and overdraft facility granted by a bank in Malaysia (the “**Bank**”) is hereby referred to as “**Facility A**”.

**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 Group’s wholly-owned subsidiary, PDD;
- (iii) assignment of all rights and benefits to sale, lease and/or insurance proceeds in respect of PCR (including assignment of the PDD project account); and
- (iv) corporate guarantee from PSD Singapore Pte. Ltd. (“**PSDS**”), a wholly-owned subsidiary of the Company.

The maturity date of Facility A is 5 October 2023 and its principal repayments are based on a certain predetermined percentage of PDD’s monthly actual cash inflow after deducting the interest to be serviced monthly in arrears.

As at 31 March 2022, Facility A has been fully drawn down and utilised.

14. Loans and borrowings (cont'd)

**OCP-TPG Loan** is secured by the following:

- (i) assignment of inter-company loans owed to the Group for the purposes of PCR and P12;
- (ii) assignment of development management agreements relating to PCR and P12;
- (iii) corporate guarantees by and debentures over the Company, and its wholly-owned subsidiary, PSDS, and debentures over the wholly-owned subsidiaries of PSDS, namely, Twin Prosperity Group Ltd. (“**TPG**”) and Tropical Sunrise Development Inc. (“**TSD**”); and
- (iv) share charges over shares of the Company’s wholly-owned subsidiary, PSDS, and wholly-owned subsidiaries of PSDS, namely, TPG, TSD, PDD, and the Group’s joint venture (Minaret) and the Group’s associate (PSDT).

The maturity date of the OCP-TPG Loan was originally 28 December 2020. On 1 October 2021, the maturity date was amended to 5 October 2023, or if earlier, coterminous with the maturity date of Facility A.

As at 31 March 2022, the OCP-TPG Loan has been fully drawn down.

**OCP-PDD Loan** is secured by the following:

- (i) first-ranking charge and assignment of a disbursement account of PDD held with Singapore branch of the Bank;
- (ii) second-ranking charge and assignment of certain accounts of PDD held with the Bank;
- (iii) second-ranking debentures over all the assets of PDD and each individual unit comprised in PCR that has not been sold by PDD;
- (iv) second-ranking assignment of the rental and sale proceeds from PCR; and
- (v) second-ranking charge over each individual unit comprised in PCR that has not been sold by PDD on creation thereof after issue of the strata titles for the units in PCR.

OCP-PDD Loan’s maturity date is on 5 October 2023, or if earlier, coterminous with the maturity date of Facility A.

As at 31 March 2022, the original \$30 million quantum under the OCP-PDD Loan had been fully drawn down and utilised.

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

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

On 19 September 2021, the Company announced that the Company had been informed on 17 September 2021 that the advances originally extended by PSDH to the Group (the “**PSDH Loans**”) have been assigned in full by PSDH (the control of which is now vested in the Trustee) to (i) CH Biovest Pte. Limited (“**CH Biovest**”) and (ii) DB2 Investment Pte. Ltd. (“**DB2**”) via a Deed of Assignment with effect from 30 April 2021 (the “**Deed of Assignment**”). The effects of the Deed of Assignment are as follows:



14. Loans and borrowings (cont'd)

- (i) CH Biovest, a controlling shareholder of the Company holding 35.52% of the shares in the share capital of Company, shall be assigned 76.63% of PSDH's rights, title, interest and benefits in and to PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances; and
- (ii) DB2, a third party, shall be assigned 23.37% of PSDH's rights, title, interest and benefits in and to the PSDH Loans to the Group (and all other interest and benefits accruing under the PSDH Loans after 30 April 2021) with effect from 30 April 2021, free of all encumbrances. DB2 has no shareholding in the Company, and is not related to any director, controlling shareholder and/or their respective associates.

**CH Biovest Loan (II)**

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

As at 31 March 2022, the CH Biovest Loan (II) has been fully drawn down.

As at 31 March 2022:

- (i) CH Biovest Loan (I) amounting to \$7,414,000 comprising non-interest-bearing advances of \$4,444,000, interest-bearing advances of \$2,682,000 and interest accrued/capitalised of \$288,000, is unsecured and is subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by CH Biovest and the Lenders.
- (ii) CH Biovest Loan (II), amounting to \$512,000 comprising principal of \$500,000 and interest accrued/capitalised of \$12,000, is unsecured and is subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by CH Biovest and the Lenders.
- (iii) DB2 Loan amounting to \$2,262,000 comprising non-interest-bearing advances of \$1,320,000, interest-bearing advances of \$818,000 and interest accrued/capitalised of \$124,000, is unsecured and is subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by DB2 and the Lenders.

As at 30 June 2021, PSDH Loans amounted to \$9,545,000, comprising \$5,795,000 of interest-free loans (with effect from 1 July 2018), \$3,500,000 of interest-bearing loans (with effect from 6 February 2020) and accrued interest amounting to \$250,000. The PSDH Loans were subordinated to the OCP-TPG Loan.

## 15. Other payables

	The Group		The Company	
	31-Mar-22 \$'000	30-Jun-21 \$'000	31-Mar-22 \$'000	30-Jun-21 \$'000
<b>Non-current</b>				
Withholding tax payable	2,925	-	-	-
GST clawback and penalties payables	198	590	-	-
Others payables	18	31	-	-
Due to subsidiaries	-	-	15,141	-
	<u>3,141</u>	<u>621</u>	<u>15,141</u>	<u>-</u>
<b>Current</b>				
Accruals	6,113	7,326	230	453
Income tax penalties payable	1,471	1,479	-	-
Joint Management Body of PCR	1,241	1,706	-	-
PCR deposits received	1,094	1,013	-	-
Sundry creditors	739	590	-	-
GST clawback and penalties payables	518	417	-	-
Due to liquidator of subsidiaries	410	410	410	410
Others	264	243	-	-
Due to associate	1	1	-	-
Affiliate of the Lenders	-	12,405	-	-
Withholding tax payable	-	2,431	-	-
Due to subsidiaries	-	-	-	14,330
	<u>11,851</u>	<u>28,021</u>	<u>640</u>	<u>15,193</u>

Certain reclassifications have been made to balances as at 30 June 2021 to conform to the presentation adopted in the current financial period, please refer to Note 22.

Withholding tax payable

The amount relates to accrued withholding tax in relation to interest on loans provided by Group entities and the Lenders to PDD. Since such loans are non-current as at 31 March 2022, the related withholding tax are presented as non-current liabilities.

GST clawback and penalties payables

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 Group’s wholly-owned subsidiary, PDD, for over-claim of GST in prior years. During the financial year ended 30 June 2021 (“**FY2021**”), Customs granted PDD 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 subsidiaries

Due to subsidiaries is presented as non-current liabilities as it is subordinated to the Loans From Lenders which have a maturity date of 5 October 2023, being more than twelve (12) months from 31 March 2022.

Income tax penalties payable

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

Joint Management Body of PCR

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

15. Other payables (cont'd)

PCR deposits received

PCR deposits received 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 their liquidation. The Company had announced on 22 May 2019 its intention to discontinue its Aluminium business via a creditors' voluntary liquidation.

Affiliate of the Lenders

As at 30 June 2021, the amount pertains to amount payable to a third party, being an affiliate of the Lenders, which has purchased certain debts of PDD. The amount bore interest at 25% per annum, was unsecured and repayable on demand. During 2QFY2022, this sum (together with the recognised interest accrued up to payment date) was repaid via a drawdown from the OCP-PDD Loan.

16. Share capital

	As at 31 March 2022, 31 December 2021, 30 September 2021 and 30 June 2021	
	Number of ordinary shares	\$'000
<b><u>The Group</u></b>		
Issued and fully paid ordinary shares	502,336,278	47,801
<b><u>The Company</u></b>		
Issued and fully paid ordinary shares	502,336,278	197,055

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

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

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

As at 31 March 2022, 31 December 2021 and 30 June 2021, the Company had no outstanding instruments convertible into shares of the Company.

As at 31 March 2022, 31 December 2021 and 30 June 2021, there were no subsidiary holdings in the Company. There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

17. Treasury shares

	31-Mar-22		30-Jun-21	
	Number of ordinary shares	\$'000	Number of ordinary shares	\$'000
<b>The Company</b>				
Balance as at the beginning and the end of reporting period	<u>2,675,400</u>	<u>(513)</u>	<u>2,675,400</u>	<u>(513)</u>
Total number of issued shares	502,336,278		502,336,278	
Less: Total number of treasury shares	<u>(2,675,400)</u>		<u>(2,675,400)</u>	
Total number of issued shares excluding treasury shares	<u>499,660,878</u>		<u>499,660,878</u>	
Percentage of treasury shares over total number of issued shares		<u>0.5%</u>		<u>0.5%</u>

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

18. Net liabilities per share

	The Group		The Company	
	31-Mar-22	30-Jun-21	31-Mar-22	30-Jun-21
Net liabilities (\$)	<u>(114,758,000)</u>	<u>(79,302,000)</u>	<u>(16,524,000)</u>	<u>(15,549,000)</u>
Number of issued shares (excluding treasury shares)	<u>499,660,878</u>	<u>499,660,878</u>	<u>499,660,878</u>	<u>499,660,878</u>
Net liabilities per share (Singapore cents)	<u>(22.97)</u>	<u>(15.87)</u>	<u>(3.31)</u>	<u>(3.11)</u>

19. Cash and cash equivalent for Consolidated Cash Flow Statement

	The Group	
	31-Mar-22 \$'000	31-Mar-21 \$'000
Cash at bank	853	709
Less: Bank overdraft	<u>(2,588)</u>	<u>(2,478)</u>
<b>Cash and cash equivalent</b>	<u><b>(1,735)</b></u>	<u><b>(1,769)</b></u>

20. Segmental information

20.1 Business segment

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

## 20.2 Geographical segment

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

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

<b>The Group</b>	<b>Revenue</b>				<b>Non-current assets</b>	
	<b>3QFY2022</b>	<b>3QFY2021</b>	<b>9MFY2022</b>	<b>9MFY2021</b>	<b>31-Mar-22</b>	<b>30-Jun-21</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Malaysia	261	674	2,405	1,017	151	298
Singapore	-	-	-	-	-	196
<b>Total</b>	<b>261</b>	<b>674</b>	<b>2,405</b>	<b>1,017</b>	<b>151</b>	<b>494</b>

## 21. Related party transactions

Other than directors' fees and compensation to key management personnel and interested person transaction as disclosed in paragraph 9 on page 28, there is no material related party transaction.

## 22. Reclassifications

To conform to current financial period's presentation, the following reclassifications to the audited balances of 30 June 2021 were made:

	<b>30-Jun-21</b>		
	<b>Previously reported per audited financial statements</b>	<b>Reclassification</b>	<b>As restated in this set of unaudited financial statements</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>The Group</b>			
<b>Current liabilities</b>			
Loans and borrowings	108,807	9,545	118,352
Other payables	37,566	(9,545)	28,021
<b>The Company</b>			
<b>Current liabilities</b>			
Loans and borrowings	-	3,651	3,651
Other payables	18,844	(3,651)	15,193

As at 30 June 2021, the Group and the Company balances due to PSDH amounted to \$9,545,000 and \$3,651,000 respectively. With the extension of the maturity of the OCP-TPG Loan to 5 October 2023 and the signing of the Deed of Assignment amongst PSDH, CH Biovest and DB2 as well as the accession agreements entered into between CH Biovest, DB2 and the Lenders whereby the CH Biovest Loan (I) and DB2 Loan are subordinated to the Loans From Lenders, management is of the view that it would be more appropriate to present the CH Biovest Loan (I) and DB2 Loan under "Loans and borrowings" instead of "Other payables". Accordingly, the PSDH Loans as at 30 June 2021 have been reclassified to conform to the presentation adopted in current financial period.

**23. Subsequent events**

On 4 April 2022, the Company announced that on 31 March 2022, the parties to the OCP-PDD Loan have entered into an amendment agreement (the “**PDD Amendment Agreement**”) pursuant to which the Lenders have agreed to increase their commitments under the OCP-PDD Loan from \$30,000,000 to \$32,178,000. Consequently, PDD would be able to borrow up to an additional \$2,178,000 (the “**Upsize Commitments**”) under the OCP-PDD Loan (as amended by the PDD Amendment Agreement).

Pursuant to the PDD Amendment Agreement, PDD shall apply all amounts borrowed in respect of the Upsize Commitments towards operating expenses and working capital requirements or other purposes as approved by the Lenders.

Save for the amendments described above to effectuate the Upsize Commitments and the use of loan proceeds in respect thereof, there are no changes to the other salient terms of the OCP-PDD Loan.

**Other Information Required by Listing Rule Appendix 7C**

## Pacific Star Development Limited and its Subsidiaries

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

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

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

Not applicable.

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

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

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 the most recent audited financial statements for FY2021.

- (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. **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 for 3QFY2022**

#### Revenue and cost of sales

The Group's revenue decreased by \$0.41 million from \$0.67 million in 3QFY2021 to \$0.26 million in 3QFY2022. The decrease was attributable to a decrease in PCR units recognised as revenue. The cost of sales decreased in tandem with the decrease in revenue.

The Group achieved a near breakeven profit margin in both 3QFY2022 and 3QFY2021. The gross profit margin for 3QFY2022 was lower as compared to 3QFY2021 as a result of higher cost of selling the PCR units recognised as revenue as well as price pressure arising from the weak property market in Iskandar.

#### Other operating income

Other operating income in 3QFY2022 decreased by \$0.36 million from \$0.44 million in 3QFY2021 to \$0.08 million in 3QFY2022. The decrease was largely attributable to a \$0.58 million reduction of effects of cancellation of Sale and Purchase Agreements ("SPAs") for PCR units and a \$0.17 million reduction in forfeiture income which was partly offset by a \$0.45 million reduction of foreign exchange loss.

During 3QFY2022, the Customs offered incentives to all taxpayers in Malaysia whereby if certain sum of payments are made within a stipulated period, a remission of GST payable would be granted. PDD paid the stipulated sum and was granted remission of GST amounting to \$0.04 million.

#### Administrative expenses

Administrative expenses decreased by \$0.11 million from \$1.82 million in 3QFY2021 to \$1.71 million in 3QFY2022. The decrease was largely attributable to reduction in maintenance charges and sinking fund contribution rates for unsold PCR units.

#### Other expenses

The \$1.31 million decrease in other expenses was largely due to a \$1.29 million reduction of trade receivables written-off due to cancellation of SPAs for PCR units.



## Pacific Star Development Limited and its Subsidiaries

### Finance costs

Finance costs increased by \$5.01 million from \$5.40 million 3QFY2021 to \$10.41 million in 3QFY2022. This was largely due to a \$5.72 million increase in interest for Loans From Lenders which was partly offset by a \$0.53 million decrease in interest expense for contractors and an affiliate of the Lenders and a \$0.13 million decrease in interest on bank loan.

The \$5.72 million increase in interest for Loans From Lenders was largely attributable to:

- (i) an increase in interest resulting from the higher principal due under the amended and restated OCP-TPG Loan. Pursuant to the amendment and restatement agreement for the OCP-TPG Loan, the original principal of \$72 million and all the interest due under the original \$70 million loan agreement signed on 24 December 2018 and the \$2 million loan amendment agreement signed on 30 June 2021, have been consolidated. This resulted in an aggregated principal of \$115,936,357 which bears interest at higher rate of 25% per annum; and
- (ii) an increase in interest pursuant to the drawdown of the OCP-PDD Loan.

The \$0.53 million decrease in interest expense for contractors and an affiliate of the Lenders was largely attributable to the reduction in interest incurred for the funds provided by an affiliate of the Lenders since such sum was repaid via drawdown of the OCP-PDD Loan provided by the Lenders.

The reduction in interest on bank loan was largely attributable to reduction in interest rate as well as reduction in principal sum due under Facility A due to prepayments made.

### Share of results of joint venture/associate

As explained in Note 8 of the Financial Statements, the share of results of joint venture and associate for 3QFY2022 relates to funding provided by the Group to maintain the live status of the associate while in 3QFY2021, the share of results of joint venture and associate relate 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 was cancelled on 26 January 2021 as announced on the same date.

### Net loss after tax for the 3QFY2022

The Group recorded a net loss after tax of \$12.09 million in 3QFY2022 as compared with \$8.19 million in 3QFY2021. The \$3.90 million increase in net loss after tax was largely attributable to a \$5.01 million increase in finance costs and a \$0.36 million reduction in other income, which were partially offset by a \$0.11 million decrease in administrative expenses and a \$1.31 million reduction in other expenses.

## **Review of Statement of Comprehensive Income for 9MFY2022**

### Revenue and cost of sales

The Group's revenue increased by \$1.39 million from \$1.02 million in 9MFY2021 to \$2.41 million in 9MFY2022. The increase was attributable to an increase in PCR units recognised as revenue. Cost of sales for 9MFY2022 increased in tandem with the increase in revenue.

Although the Group maintained a near breakeven position in 9MFY2022, gross profit margin for 9MFY2022 was lower as compared to 9MFY2021 as a result of higher cost of selling the PCR units recognised as revenue as well as price pressure arising from the weak property market in Iskandar.

### Other operating income

Other operating income decreased by \$2.22 million from \$2.50 million in 9MFY2021 to \$0.28 million in 9MFY2022. The reduction was largely attributable to a \$1.73 million reduction in effects of cancellation of SPAs for PCR units and a \$0.44 million reduction in forfeiture income.

### Administrative expenses

The administrative expenses for 9MFY2022 were \$0.22 million higher as compared to 9MFY2021. This increase was largely attributable to professional fees incurred in relation to the amendment and restatement of the OCP-TPG Loan as well as the definitive agreements pertaining to the OCP-PDD Loan.

## Pacific Star Development Limited and its Subsidiaries

### Other expenses

The \$3.88 million decrease in other expenses was primarily due to a \$3.42 million reduction of trade receivables written-off due to cancellation of SPAs, a \$0.34 million reduction in adjudication costs and related expenses and a \$0.13 million reduction in penalties and fines.

### Finance costs

Finance costs increased by \$15.13 million from \$15.49 million in 9MFY2021 to \$30.62 million in 9MFY2022. This was largely due to a \$15.21 million increase in interest for Loans From Lenders, a \$0.53 million increase in interest expense for contractors and an affiliate of the Lenders, which was partly offset by a \$0.46 million reduction in amortisation of transactional costs for OCP-TPG Loan and a \$0.15 million reduction in interest for bank loan.

The \$15.21 million increase in interest for Loans From Lenders was largely attributable to:

- (i) a \$7.0 million one-time additional interest resulting from the retroactive application of 25% per annum interest from 1 January 2021 in relation to the amended and restated OCP-TPG Loan. The OCP-TPG Loan was originally due on 28 December 2020 and was amended and restated on 1 October 2021 with, amongst others, the maturity date extended to 5 October 2023. Pursuant to the amendment and restatement agreement with the Lenders, the Group contracted to apply a 25% per annum interest retroactively from 1 January 2021 to 29 October 2021;
- (ii) a \$6.63 million increase in interest resulting from the higher principal due under the amended and restated OCP-TPG Loan. Pursuant to the amendment and restatement agreement for the OCP-TPG Loan, the original principal of \$72 million and all the interest due under the original \$70 million loan agreement signed on 24 December 2018 and the \$2 million loan amendment agreement signed on 30 June 2021, have been consolidated, resulting in an aggregated principal of \$115,936,357 which bears interest at higher rate of 25% per annum; and
- (iii) a \$1.58 million increase in interest pursuant to the drawdown of the OCP-PDD Loan.

The \$0.53 million increase in interest expense for contractors and an affiliate of the Lenders was largely attributable to the increase in interest incurred for additional funds provided by an affiliate of the Lenders for the first half of FY2022 before it was repaid in full.

The reduction in interest on bank loan was largely attributable to reduction in interest rate as well as reduction in principal sum due under Facility A due to prepayments made.

### Share of results of joint venture/associate

As explained in Note 8 of the Financial Statements, the share of results of joint venture and associate for 9MFY2022 relates to funding provided by the Group in relation to the KNK Bankruptcy and to maintain the live status of the associate respectively while in 9MFY2021, these relate 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 was cancelled on 26 January 2021 as announced on the same date.

### Net loss after tax for the financial period

The Group recorded a net loss after tax of \$35.50 million in 9MFY2022 as compared with \$22.06 million in 9MFY2021. The \$13.44 million increase in net loss after tax was largely attributable to a \$15.13 million increase in finance costs, a \$2.22 million reduction in other income and a \$0.22 million increase in administrative expenses, which were partially offset by a \$3.88 million reduction in other expenses and a \$0.33 million reduction of shares of results of joint venture and associate.

## Review of Statement of Financial Position

### Company

The Company's non-current assets as at 31 March 2022 increased by \$3.34 million as compared to 30 June 2021 while the current assets as at 31 March 2022 decreased by \$3.24 million. The change was largely due to the \$3.35 million of amount due from subsidiaries being presented as non-current assets as at 31 March 2022. The amount due from subsidiaries as at 31 March 2022 was presented as non-current assets as it is subordinated to the Loans From Lenders which have a maturity date on 5 October 2023, being more than twelve (12) months from 31 March 2022.

There were no other material changes to the assets and liabilities of the Company between 31 March 2022 and 30 June 2021.

### The Group

#### Non-current assets

The non-current assets of the Group decreased by \$0.34 million from \$0.49 million as at 30 June 2021 to \$0.15 million as at 31 March 2022. The decrease was mainly due to a \$0.17 million routine depreciation on right-of-use assets and a \$0.14 million reduction in deferred costs due to reversal of accrued renovation subsidy as a result of the cancellation of a tenancy agreement for the lease of retail space as well as reclassification of deferred costs to be amortised within the next twelve (12) months from 31 March 2022 as current asset.

#### Current assets

The current assets of the Group decreased by \$0.09 million from \$132.15 million as at 30 June 2021 to \$132.06 million as at 31 March 2022. The decrease was mainly due to a \$2.21 million net reduction in development properties as a result of PCR units sold being recognised as cost of sales, a \$0.13 million reduction in trade receivables due to routine collections and a \$0.19 million reduction in other receivables and other current assets which were partially offset by a \$2.38 million increase in cash at bank and restricted cash.

The increase in restricted cash was due to the placement of ISRA for Facility A from the drawdown of the OCP-PDD Loan while the increase in cash at bank was attributable to the drawdown of the OCP-TPG Loan.

#### Non-current liabilities

The Group's non-current liabilities increased by \$174.21 million from \$47.34 million at 30 June 2021 to \$221.55 million as at 31 March 2022 which was due largely to a \$171.69 million increase in loans and borrowings and a \$2.52 million increase in other payables.

The \$171.69 million increase in loans and borrowings was largely attributable to:

- (i) a \$130.53 million of OCP-TPG Loan being presented as non-current liabilities following the amendment of its maturity date to 5 October 2023;
- (ii) a \$31.58 million increase in OCP-PDD Loan;
- (iii) a \$9.68 million of CH Biovest Loan (I) and DB2 Loan being presented as non-current liabilities as a result of certain accession agreements entered into by CH Biovest and DB2 with the Lenders resulting in such loans being subordinated to the Loans From Lenders whereby such loans from CH Biovest and DB2 will not be due within the next twelve (12) months from 31 March 2022; and
- (iv) a \$0.51 million increase in CH Biovest Loan (II);
- (v) which was partially offset by a \$0.62 million reduction in bank loan as a result of prepayment of principal under Facility A.

The \$2.52 million increase in other payables was largely due a \$2.93 million increase in withholding tax payable which was partly offset by a \$0.39 million reduction in GST clawback and penalties payables.

## **Pacific Star Development Limited and its Subsidiaries**

The withholding tax payable pertains to interest on OCP-PDD Loan and intercompany loans provided by non-Malaysian entities to PDD. Since such withholding tax are only payable when interest is paid, given that these related interests are not expected to be repaid within the next twelve (12) months from 31 March 2022, accordingly it is classified as non-current liabilities.

The \$0.39 million reduction in GST clawback and penalties payables was due to the reclassification of amount due, as per agreed schedule of repayment, within the next twelve (12) months from 31 March 2022 to current liabilities.

### Current liabilities

The Group's current liabilities decreased by \$139.18 million from \$164.60 million as at 30 June 2021 to \$25.42 million as at 31 March 2022. This decrease was due largely to a \$115.76 million decrease in loan and borrowings, a \$16.17 million reduction in other payables, a \$4.56 million of scheduled payment of income tax liabilities and a \$2.45 million of routine repayment of trade payables and a \$0.2 million reduction in lease liabilities due to routine payments.

The \$115.76 million reduction in loan and borrowings was largely due to the reclassification of \$102.95 million of OCP-TPG Loan, which was presented as non-current liabilities (as explained under "Non-current liabilities"), the repayment of \$3.28 million of principal under Facility A and the reduction of \$9.55 million of PSDH Loans, which was assigned to CH Biovest and DB2 and presented as non-current liabilities (as explained under "Non-current liabilities").

The \$16.17 million reduction in other payables was largely due to the repayment of \$12.41 million of amount due to an affiliate of the Lenders using funds from the OCP-PDD Loan as well as a \$2.43 million reclassification of withholding tax payable (as explained under "Non-current liabilities") and a \$1.21 million decrease in accruals due largely to transfer to trade payables upon the receipt of invoices.

### Review of the Consolidated Cash Flow Statement – 3QFY2022

Net cash used in operating activities amounted to \$1.29 million where \$1.55 million of cash flow used by operations was largely attributable to the losses before tax incurred by the Group, \$0.10 million of income tax paid and \$0.42 million of finance cost paid, which was partially offset by \$0.79 million of cash generated from changes in working capital.

The cash flow used in investing activities was minimal and primarily relates to the funding provided to associate to maintain the live status of the associate pending the completion of KNK Bankruptcy.

The Group's net cash generated from financing activities amounted to \$0.48 million which was largely attributable to the \$0.50 million drawdown under the CH Biovest Loan (II), \$0.45 million drawdown under the OCP-PDD Loan, which was offset by \$0.41 million partial prepayment of the principal outstanding under Facility A.

### Review of the Consolidated Cash Flow Statement – 9MFY2022

Net cash used in operating activities amounted to \$25.58 million where \$4.48 million of cash flow used by operations was largely attributable to the losses before tax incurred by the Group, repayment of trade and other payables amounting to \$16.95 million, payment of finance costs amounting to \$1.64 million and payment of income tax amounting to \$4.54 million. These were partially offset by \$1.97 million of cash generated from changes in other components of working capital and \$0.06 million of interest income received.

The \$16.95 million payment of trade and other payables was largely attributable to payment made to an affiliate of the Lenders and scheduled payments to trade creditors.

The cash flow used in investing activities amounted to \$0.14 million and primarily relates to the funding provided to joint venture and associate in relation to the KNK Bankruptcy and to maintain the live status of the associate respectively.

The Group's net cash generated from financing activities amounted to \$26.43 million which was due to \$2.0 million and \$30.0 million drawdown under the OCP-TPG Loan and OCP-PDD Loan respectively, \$0.50 million drawdown from CH Biovest Loan (II) which was offset by \$5.32 million increase in restricted cash in form of placement of ISRA for Facility A, \$0.57 million partial prepayment of the principal outstanding under Facility A and \$0.18 million of routine repayment of lease liabilities.

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

Not applicable.

- 6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

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

After more than two years of fighting against COVID-19, governments across the region have effectively fully opened their borders or intend to do so in the near future. As these governments endeavor to move towards an endemic approach in their dealings with COVID-19, economic activities and consumers' confidence should gradually recover. However, presently these are just the nascent steps of a potential recovery. The emergence of more contagious and deadly sub-variants of COVID-19 may unwind the recent positive steps taken to emerge from the shadows of the pandemic. In addition, there are wider macro-events such as the war in Eastern Europe, global supply chain shocks and interest rate hikes raising a slew of global concerns. These can significantly disrupt such recovery and may severely impact the Group's financial performance.

**7. Dividend Information**

- (a) Current financial period reported on - Any dividend declared for the current financial period reported on?**

None.

- (b) Corresponding period of the immediate preceding year- Any dividend declared for the corresponding period of the immediate preceding financial year?**

None.

- (c) Date payable**

Not applicable.

- (d) Books closure date**

Not applicable.

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

No dividend was declared as there were no profits for 3QFY2022 and 9MFY2022.

**9. Interested Person Transactions**

At an EGM of the Company held on 22 February 2022, the shareholders of the Company (excluding CH Biovest), approved the CH Biovest Loan (II) of \$500,000 which bears interest at 25% per annum (capitalised on a quarterly basis). As the CH Biovest Loan (I), principal sum of \$2,681,970 was assigned by PSDH, shareholder’s approval for this transaction was not required. The Interested Person Transaction (“IPT”) during 9MFY2022 is set out below for information.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		\$	\$
<b><u>Finance costs</u></b>			
CH Biovest	Controlling shareholder	100,664	11,808

**10. 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).

**11. 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 interim financial results of the Company and the Group for the 3-month period ended 31 March 2022 to be false or misleading in any material aspect and the unaudited interim financial statements are in compliance with the relevant accounting standards including SFRS(I) 1-34.

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

**Ying Wei Hsein  
Executive Chairman  
12 May 2022**