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 Financial Period Ended 30 September 2022

Pursuant to the Company's announcement dated 11 November 2022, the Company obtained approval from Singapore Exchange Regulation Pte Ltd (the "**SGX RegCo**") for an extension of time to release its audited financial statements and annual report as well as the holding of its Annual General Meeting ("**AGM**") for the financial year ended 30 June 2022 ("**FY2022**").

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 ("**FY2021**") (being the latest available audited financial statements). 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.

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Pacific Star Development Limited and its Subsidiaries

Consolidated Statement Of Comprehensive Income
For the three-month financial period ended 30 September 2022

	Note	The Group Three months ended 30-Sep-22 $'000	 30-Sep-21 $'000
Revenue	4	1,024	1,615
Cost of sales		(1,002)	(1,548)
Gross profit		**22**	**67**
Other operating income	5	199	246
Expenses:			
Administrative		(3,130)	(1,226)
Finance costs	6	(12,091)	(5,612)
Share of results of joint venture	7	-	(96)
Share of results of associate	7	(16)	(7)
Loss before tax	8	**(15,016)**	**(6,628)**
Income tax expense		-	-
Net loss for the financial period		**(15,016)**	**(6,628)**
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from:			
- consolidation		290	(17)
Total comprehensive loss for the financial period		**(14,726)**	**(6,645)**
Net loss attributable to:			
Owners of the Company		**(15,016)**	**(6,628)**
Total comprehensive loss attributable to:			
Owners of the Company		**(14,726)**	**(6,645)**
Earnings per share		**Singapore cents per share**	**Singapore cents per share**
Loss for the financial period attributable to owners of the Company			
Basic and diluted	9	**(3.01)**	**(1.33)**

Pacific Star Development Limited and its Subsidiaries

Balance Sheets
As at 30 September 2022

	Note	The Group		The Company	
		30-Sep-22	30-Jun-22	30-Sep-22	30-Jun-22
		$'000	$'000	$'000	$'000
Non-current assets					
Investments in subsidiaries		-	-	-	-
Property, plant and equipment		27	28	-	-
Deferred costs		28	75	-	-
Other receivables	**10**	-	-	3,345	3,345
Total non-current assets		55	103	3,345	3,345
Current assets					
Deferred costs		395	406	-	-
Development properties	**11**	119,207	122,424	-	-
Trade receivables		535	666	-	-
Other receivables and other current assets	**10**	421	412	19	24
Cash at bank		2,194	1,710	20	34
Restricted cash	**12**	1,925	2,602	-	-
Total current assets		124,677	128,220	39	58
Total assets		**124,732**	**128,323**	**3,384**	**3,403**
Non-current liabilities					
Loans and borrowings	**13**	240,809	230,173	4,446	4,398
Other payables	**14**	3,303	3,187	15,480	15,324
Total non-current liabilities		244,112	233,360	19,926	19,722
Current liabilities					
Loans and borrowings	**13**	2,469	2,525	-	-
Trade payables		8,908	9,115	-	-
Other payables	**14**	11,383	11,611	643	551
Deferred income	**15**	1,175	1	-	-
Current tax liabilities		747	1,047	-	-
Total current liabilities		24,682	24,299	643	551
Total liabilities		**268,794**	**257,659**	**20,569**	**20,273**
Net liabilities		**(144,062)**	**(129,336)**	**(17,185)**	**(16,870)**
Capital and reserves attributable to owners of the Company					
Share capital	**16**	47,801	47,801	197,055	197,055
Treasury shares	**17**	-	-	(513)	(513)
Accumulated losses		(193,593)	(178,577)	(213,727)	(213,412)
Foreign currency translation reserve		1,730	1,440	-	-
Capital deficiency attributable to owners of the Company		**(144,062)**	**(129,336)**	**(17,185)**	**(16,870)**
Net liabilities per share (Singapore cents per share)	**18**	**(28.83)**	**(25.88)**	**(3.44)**	**(3.38)**

Pacific Star Development Limited and its Subsidiaries

Statements of Changes In Equity
For the three-month financial period ended 30 September 2022

	Attributable to owners of the Company			
	Share capital	**Accumulated losses**	**Foreign currency translation reserve**	**Total capital deficiency**
<u>The Group</u>	**$'000**	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2021	**47,801**	**(128,318)**	**1,215**	**(79,302)**
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
Total comprehensive 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	-	(12,089)	-	(12,089)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	43	43
Total comprehensive loss for the financial period	-	(12,089)	43	(12,046)
Balance as at 31 March 2022	**47,801**	**(163,813)**	**1,254**	**(114,758)**
Net loss for the financial period	-	(14,764)	-	(14,764)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	186	186
Total comprehensive loss for the financial period	-	(14,764)	186	(14,578)
Balance as at 30 June 2022	**47,801**	**(178,577)**	**1,440**	**(129,336)**
Balance as at 1 July 2022	**47,801**	**(178,577)**	**1,440**	**(129,336)**
Net loss for the financial period	-	(15,016)	-	(15,016)
Other comprehensive income for the financial period, net of tax:				
Currency translation differences arising from consolidation	-	-	290	290
Total comprehensive loss for the financial period	-	(15,016)	290	(14,726)
Balance as at 30 September 2022	**47,801**	**(193,593)**	**1,730**	**(144,062)**

	Share capital	**Treasury shares**	**Accumulated losses**	**Total capital deficiency**
<u>The Company</u>	**$'000**	**$'000**	**$'000**	**$'000**
Balance as at 1 July 2021	**197,055**	**(513)**	**(212,091)**	**(15,549)**
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)
Balance as at 31 March 2022	**197,055**	**(513)**	**(213,066)**	**(16,524)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(346)	(346)
Balance as at 30 June 2022	**197,055**	**(513)**	**(213,412)**	**(16,870)**
Balance as at 1 July 2022	**197,055**	**(513)**	**(213,412)**	**(16,870)**
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	(315)	(315)
Balance as at 30 September 2022	**197,055**	**(513)**	**(213,727)**	**(17,185)**

Consolidated Cash Flow Statement
For the three-month financial period ended 30 September 2022

	Note	The Group Three-month ended 30-Sep-22 $'000	30-Sep-21 $'000
Cash flows from operating activities			
Loss before income tax		(15,016)	(6,628)
Adjustments for:			
Finance costs		12,091	5,612
Amortisation of deferred costs		61	68
Share of results of associate		16	7
Depreciation of property, plant and equipment		3	9
Remission of Goods and Services Tax clawback and penalties payable		(151)	-
Forfeiture income		(4)	(4)
Share of results of joint venture		-	96
Depreciation of right-of-use assets		-	63
Operating cash flow before working capital changes		(3,000)	(777)
Movement in working capital:			
Changes in trade and other payables		996	(1,026)
Changes in development properties		497	984
Changes in trade, other receivables and other current assets		122	115
Changes in deferred costs		-	(65)
Effects of currency translation on working capital		2,299	(312)
Cash flows generated from/(used in) operations		914	(1,081)
Income tax paid		(280)	(236)
Finance costs paid		(51)	(194)
Net cash generated from/(used in) operating activities		**583**	**(1,511)**
Cash flows from investing activities			
Funding to associate		(16)	(7)
Purchase of property, plant and equipment		(2)	(2)
Funding to joint venture		-	(96)
Net cash used in investing activities		**(18)**	**(105)**
Cash flows from financing activities			
Proceeds from loans from a group of lenders		-	2,000
Repayment of lease liabilities		-	(75)
Net cash generated from financing activities		**-**	**1,925**
Net increase in cash and cash equivalents		**565**	**309**
Effect of currency translation on cash and cash equivalents		(25)	8
Cash and cash equivalents at the beginning of financial period		(815)	(2,425)
Cash and cash equivalents at the end of financial period	**19**	**(275)**	**(2,108)**

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 financial period ended 30 September 2022 ("**1QFY2023**") (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 year ended 30 June 2022 ("**FY2022**").

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 1QFY2023 were adversely affected by the weak property market in Iskandar and high finance costs. The Group incurred a net loss of $15,016,000. As at 30 September 2022, the Group's capital deficiency amounted to $144,062,000 and the Group's loans and borrowings amounted to $243,278,000, of which $2,469,000 were classified as current liabilities. The Group's current assets of $124,677,000 mainly comprise development properties amounting to $119,207,000 as at 30 September 2022.

The Company incurred a net loss of $315,000 for 1QFY2023. As at 30 September 2022, the Company's current liabilities exceeded its current assets by $604,000 and its capital deficiency amounted to $17,185,000.

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 Russia-Ukraine war, global supply chain shocks, inflationary pressure and recent significant interest rate hikes and the depreciation of the Malaysia Ringgit against the Singapore Dollar;

(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 requirements 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 improvement in business sentiment and economic recovery are still 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 pre-COVID-19 levels;

(c) currently, there are still uncertainties as whether new variants of COVID-19 will emerge and how various governments' plans to co-exist with COVID-19 will pan out; and

(d) there are increased macroeconomic concerns with the ongoing Russia-Ukraine war, global inflation worries, interest rate hikes, depreciation of the Malaysia Ringgit against the Singapore Dollar and supply chain disruption which could weigh down on any post-COVID-19 recovery.

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 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 2022. 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.

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 FY2022.

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 in prior years, 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 30 September 2022 is $119,207,000 (30 June 2022: $122,424,000).

(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 Sale and Purchase Agreements ("**SPAs**"), reverse the trade receivables and repossess the relevant PCR units. Hence, management is satisfied that no material ECL is required on the Group's trade receivables.

The Group's carrying amount of trade receivables as at 30 September 2022 is $535,000 (30 June 2022: $666,000).

(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 30 September 2022 and 30 June 2022.

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 was not affected significantly by seasonal or cyclical factors during 1QFY2023.

5. Other operating income

	The Group	
	1QFY2023 $'000	**1QFY2022 $'000**
Remission of Goods and Services Tax ("**GST**") clawback and penalties payable	151	-
Others	28	25
Rental income	16	14
Forfeiture income	4	4
Foreign exchange gain	-	203
	199	246

6. Finance costs

	The Group 1QFY2023 $'000	The Group 1QFY2022 $'000
Interest expense for loans from a group of lenders	11,213	3,986
Loan from a bank:		
- interest expense	594	560
- amortisation of transactional costs	99	159
Interest expense for:		
- loans from a related party	69	33
- bank overdraft and late interest payment	47	43
- contractors, creditors and an affiliate of the group of lenders	45	818
- loans from third parties	24	10
- lease liabilities	-	3
	12,091	5,612

7. 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**").

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.

During 1QFY2023, the share of results of associate relate to the funding provided by the Group to the maintenance of the live status of the associate.

During the three-month financial period ended 30 September 2021 ("**1QFY2022**"), the share of results of joint venture and associate relate to the funding provided by the Group in relation to the KNK Bankruptcy matters and to maintain the live status of the associate respectively.

8. Loss before tax

	The Group	
	1QFY2023 $'000	1QFY2022 $'000
Loss before tax has been arrived at after charging/(crediting):		
Foreign exchange net loss/(gain)	1,782	(203)
Amortisation of deferred costs	61	68
Depreciation of property, plant and equipment	3	9
Remission of GST clawback and penalties payable	(151)	-
Forfeiture income	(4)	(4)
Depreciation of right-of-use assets	-	63

9. Earnings per share

	The Group	
	1QFY2023	1QFY2022
Loss for the financial period ($)	(15,016,000)	(6,628,000)
Weighted average number of ordinary shares	499,660,878	499,660,878
Basic and diluted Earnings Per Share ("**EPS**") (Singapore cents)	**(3.01)**	**(1.33)**

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.

10. Other receivables and other current assets

	The Group		The Company	
	30-Sep-22 $'000	30-Jun-22 $'000	30-Sep-22 $'000	30-Jun-22 $'000
Non-current				
Due from subsidiaries	-	-	3,345	3,345
Current				
Deposits	138	141	-	-
Sundry debtors	57	45	-	-
Net GST receivables	3	3	2	2
	198	189	2	2
Other prepayments	223	223	17	22
	421	412	19	24

As at 30 September 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 13(b)) which have a maturity date on 5 October 2023, being more than twelve (12) months from 30 September 2022.

11. 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.

12. Restricted cash

As at 30 September 2022 and 30 June 2022, the restricted cash relates largely to the Interest Service Reserve Account ("**ISRA**") in relation to Facility A (as defined in Note 13(c)).

13. Loans and borrowings

	30-Sep-22			30-Jun-22		
	$'000	$'000	$'000	$'000	$'000	$'000
The Group	**Secured**	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
Non-current						
OCP-TPG Loan	150,009	-	150,009	139,919	-	139,919
OCP-PDD Loan	35,935	-	35,935	34,665	-	34,665
Bank loan	44,306	-	44,306	45,123	-	45,123
CH Biovest Loan (I)	-	7,481	7,481	-	7,448	7,448
CH Biovest Loan (II)	-	580	580	-	544	544
DB2 Loan	-	2,282	2,282	-	2,271	2,271
Other Third Parties Loans	-	216	216	-	203	203
	230,250	10,559	240,809	219,707	10,466	230,173
Current						
Bank overdraft	2,469	-	2,469	2,525	-	2,525
Total	232,719	10,559	243,278	222,232	10,466	232,698
The Company						
Non-current						
CH Biovest Loan (I)	-	2,797	2,797	-	2,798	2,798
CH Biovest Loan (II)	-	580	580	-	544	544
DB2 Loan	-	853	853	-	853	853
Other Third Parties Loans	-	216	216	-	203	203
Total	-	4,446	4,446	-	4,398	4,398

(a) **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, PSD Singapore Pte. Ltd. ("**PSDS**") and debentures over the wholly-owned subsidiaries of PSDS, namely, Twin Prosperity Group Ltd. ("**TPG**") and Tropical Sunrise Development Inc. ("**TSD**"); and

(iv) share charges over shares of the Company's 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 is 5 October 2023, or if earlier, coterminous with the maturity date of Facility A (as defined in 13(c)).

As at 30 September 2022, the OCP-TPG Loan has been fully drawn down.

13. Loans and borrowings (cont'd)

(b) **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 that provided Facility A (as defined in Note 13(c)) (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 defined in Note 13(c)).

As at 30 September 2022, the OCP-PDD Loan has 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**").

(c) "**Facility A**" refers to the bank loan and overdraft facility granted by the Bank and 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 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 (the "**Priority Of Payment**").

As at 30 September 2022, Facility A has been fully drawn down and utilised.

(d) **CH Biovest Loan (I) and DB2 Loan** 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 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**").

CH Biovest is a controlling shareholder of the Company holding 35.52% of the share capital of Company while DB2 is not related to any director or shareholder of the Company.

13. Loans and borrowings (cont'd)

(d) **CH Biovest Loan (I) and DB2 Loan (cont'd)**

As at 30 September 2022:

(i) **<u>CH Biovest Loan (I)</u>** amounting to $7,481,000 comprising non-interest-bearing advances of $4,444,000, interest-bearing advances of $2,682,000 and interest accrued/capitalised of $355,000, is unsecured and is subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by CH Biovest and the Lenders.

(ii) **<u>DB2 Loan</u>** amounting to $2,282,000 comprising non-interest-bearing advances of $1,355,000, interest-bearing advances of $818,000 and interest accrued/capitalised of $109,000, is unsecured and is subordinated to the Loans From Lenders pursuant to certain accession agreement entered into by DB2 and the Lenders.

(e) **<u>CH Biovest Loan (II)</u>** is a loan extended by the Company's controlling shareholders, CH Biovest. At an Extraordinary General Meeting ("**EGM**") of the Company held on 22 February 2022, the shareholders of the Company (excluding CH Biovest which abstained from voting) 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) 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 30 September 2022, the CH Biovest Loan (II) has been fully drawn down.

As at 30 September 2022, CH Biovest Loan (II) amounting to $580,000 comprising principal of $500,000 and capitalised interest of $80,000.

(f) **<u>Other Third Parties Loans</u>** pertains to loans from third parties amounting to $216,000 comprising principal of $200,000 and capitalised interest of $16,000. The Other Third Parties Loans are unsecured, bears interest at 25% per annum (capitalised on a quarterly basis) and is subordinated to the Loans From Lenders.

As at 30 September 2022, the Third Parties Loans have been fully drawn down and utilised.

(g) As at 30 September 2022 and 30 June 2022, the loan-to-value ratio of the OCP-TPG Loan has exceeded the requisite ratio under the loan-to-value covenant under the OCP-TPG Loan. If the Lenders call this as a default by requesting TPG to effect the remedy actions as provided in the OCP-TPG Loan and if TPG is not able to complete such remedy actions, it may constitute a cross default vis-a-vis other borrowings of the Group/Company such as OCP-PDD Loan, Facility A, CH Biovest Loan (I) and (II), DB2 Loan and the Other Third Parties Loans. At its initiative, the management of the Group had discussed with the Lenders the abovementioned issue, and the Lenders understand the position of the Group. Although the Lenders are not in a position to provide a waiver, they remain supportive and continue to engage in constructive discussions with the Group. Hence, as at the date of this announcement, the Lenders have not called a default on this matter. The Company will make the necessary announcement(s) if there are any material updates on the matter.

14. Other payables

	The Group		The Company	
	30-Sep-22	30-Jun-22	30-Sep-22	30-Jun-22
	$'000	$'000	$'000	$'000
Non-current				
Withholding tax payable	3,280	3,072	-	-
Others payables	22	22	-	-
Due to associate	1	1	-	-
GST clawback and penalties payables	-	92	-	-
Due to subsidiaries	-	-	15,480	15,324
	3,303	3,187	15,480	15,324
Current				
Accruals	6,033	6,182	283	244
Joint Management Body of PCR	1,594	1,586	-	-
Income tax penalties payable	1,413	1,442	-	-
PCR deposits received	881	612	-	-
Sundry creditors	714	928	150	97
GST clawback and penalties payables	271	406	-	-
Others	267	245	-	-
Due to liquidator of subsidiaries	210	210	210	210
	11,383	11,611	643	551

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 30 September 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 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.

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 30 September 2022.

Joint Management Body of PCR

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

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.

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 have to 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.

15. Deferred income

Deferred income pertains largely to amount collected pursuant to SPAs for PCR units which have not been recognised as revenue.

16. Share capital

	As at 30 September 2022 and 30 June 2022	
	Number of ordinary shares	$'000
The Group		
Issued and fully paid ordinary shares	502,336,278	47,801
The Company		
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, excluding treasury 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 year reported on.

As at 30 September 2022 and 30 June 2022, the Company had no outstanding instruments convertible into shares of the Company.

As at 30 September 2022 and 30 June 2022, 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

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

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	
	30-Sep-22	**30-Jun-22**	**30-Sep-22**	**30-Jun-22**
Net liabilities ($)	(144,062,000)	(129,336,000)	(17,185,000)	(16,870,000)
Number of issued shares (excluding treasury shares)	499,660,878	499,660,878	499,660,878	499,660,878
Net liabilities per share (Singapore cents)	**(28.83)**	**(25.88)**	**(3.44)**	**(3.38)**

19. Cash and cash equivalent for Consolidated Cash Flow Statement

	The Group	
	30-Sep-22	**30-Sep-21**
	$'000	**$'000**
Cash at bank	2,194	488
Less: Bank overdraft	(2,469)	(2,596)
Cash and cash equivalent	**(275)**	**(2,108)**

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.

	Revenue		Non-current assets	
<u>The Group</u>	**1QFY2023**	**1QFY2022**	**30-Sep-22**	**30-Jun-22**
	$'000	**$'000**	**$'000**	**$'000**
Malaysia	1,024	1,615	55	102
Singapore	-	-	-	1
Total	1,024	1,615	55	103

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 21, there is no material related party transaction.

22. Subsequent Events

(a) On 28 September 2022, the Company announced that it had submitted an application to SGX RegCo for the following extensions of time:

(i) 15 months, from 30 September 2022 to 31 December 2023, for the Company to submit its resumption of trading proposal to SGX RegCo (the "**RTP Extension**");

(ii) 2 months, from 31 October 2022 to 30 December 2022, for the Company to hold its Annual General Meeting ("**AGM**") for FY2022 (the "**AGM Extension**"); and

(iii) 2 months, from 30 November 2022 to 31 January 2023, for the Company to submit its sustainability report (the "**SR Extension**") (collectively referred to herein as the "**Extensions**").

The Company also announced that it was concurrently requesting for an extension of time with the Accounting and Corporate Regulatory Authority (the "**ACRA**") in relation to the holding of its AGM and submission of its annual return pursuant to Sections 175 and 197 of the Companies Act 1967 of Singapore respectively.

On 11 October 2022, the Company Announced that ACRA had allowed for a deadline of 30 December 2022 for the Company to hold its AGM and a deadline of 29 January 2023 for the Company to file its annual return.

On 11 November 2022, the Company announced that:

(I) SGX RegCo has informed the Company that it has no objection to the Company's application for the AGM Extension and SR Extension; and

(II) In relation to the RTP Extension, subsequent to the submission of the Extensions to SGX RegCo, the Company was instructed by SGX RegCo to separate the application of RTP Extension from the AGM Extension and SR Extension. The Company is in the process of providing further details and clarifications on the RTP Extension to SGX RegCo. The outcome of the application for the RTP Extension will be announced in due course.

(b) On 14 October 2022, in relation to a letter of demand by Asia Real Estate Prime Development Fund's ("**AREPDF**") against the Company's wholly-owned subsidiary, PSDS, which was announced by the Company on 10 October 2020, the Company updated that following discussions and clarifications between the Company's management, its Luxembourg legal counsel and AREPDF's Luxembourg legal counsel, AREPDF had waived the claim of US$654,762 against PSDS and the matter has been drawn to a close.

Other Information Required by Listing Rule Appendix 7C

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 1QFY2023

Revenue and cost of sales

The Group's revenue decreased by $0.60 million from $1.62 million in 1QFY2022 to $1.02 million in 1QFY2023. This was largely attributable to a reduction in the number of SPAs for PCR units recognised as revenue. The Group maintained a near breakeven position for such SPAs recognised as revenue.

Other operating income

Other operating income for 1QFY2023 was not materially different from that in 1QFY2022.

Administrative expenses

The administrative expenses increased by $1.90 million from $1.23 million in 1QFY2022 to $3.13 million in 1QFY2023 which was largely attributable to a $1.78 million increase in foreign exchange losses due to the depreciation of the Malaysia Ringgit against the Singapore Dollar.

Finance costs

Finance costs increased by $6.48 million from $5.61 million in 1QFY2022 to $12.09 million in 1QFY2023. This was largely due to a $7.23 million increase of financing costs incurred for Loans From Lenders which was partially offset by a S$0.81 million reduction in finance cost on loan from an affiliate of the Lenders due to full repayment from funds provided by the Lenders via OCP-PDD Loan.

Share of results of joint venture/associate

As explained in Note 7 of the Financial Statements, the share of results of joint venture and associate for 1QFY2022 pertains to funding provided by the Group in relation to the KNK Bankruptcy matter and to maintain the live status of the associate respectively while in 1QFY2023, these relate to the funding provided by the Group to maintain the live status of the associate.

Net loss for 1QFY2023

The Group recorded a net loss after tax of $15.02 million in 1QFY2023 as compared with $6.63 million in 1QFY2022. The $8.39 million increase in net loss was largely attributable to a $6.48 million increase in finance costs and a $1.78 million increase in foreign exchange losses.

Review of Statement of Financial Position as at 30 September 2022

Company

Net liabilities

The Company's net liabilities increased by $0.32 million due to the losses incurred by the Company which were funded by loans from a subsidiary.

The Group

Non-current assets

There were no material changes to the non-current assets between 30 September 2022 and 30 June 2022.

Current assets

The current assets of the Group decreased by $3.54 million from $128.22 million as at 30 June 2022 to $124.68 million as at 30 September 2022. This decrease was due largely to $3.22 million reduction in development properties due to the effects of the translation of the Group's development properties from Malaysia Ringgit to Singapore Dollar as a result of the depreciation of the Malaysia Ringgit against the Singapore Dollar and PCR units recognised as cost of sales.

Non-current liabilities

The Group's non-current liabilities increased by $10.75 million from $233.36 million as at 30 June 2022 to $244.11 million as at 30 September 2022. The increase was largely attributable to the capitalisation and accrual of approximately $11.45 million of interest on loans from various lenders (excluding the Bank), which was partially offset by a $0.82 million reduction in Facility A (Bank loan) due the depreciation of Malaysia Ringgit against the Singapore Dollar.

Current liabilities

There were no material changes to the Group's current liabilities between 30 September 2022 and 30 June 2022.

Review of the Consolidated Cash Flow Statement for 1QFY2023

Net cash generated from operating activities amounted to $0.58 million where $0.94 million of cash flow generated from operations was largely attributable to delay in payments to creditors which was offset by payment of income tax paid amounting to $0.28 million and finance costs amounting to $0.05 million.

During 1QFY2023, the finance cost paid was minimal as compared to the $12.09 million of finance costs recognised in the statement of comprehensive income. This was because the interest related to loans from Lenders, CH Biovest Loan (I) and (II), DB2 Loan as well as Other Third Parties Loan were either capitalised or accrued which did not result in cash outflow. In addition, at the request of PDD, the Bank has temporary suspended the Priority Of Payment and allowed the interest for Facility A to be deducted from ISRA maintained with the Bank.

As a result of the above, the Group's recorded a net increase in cash and cash equivalent of $0.57 million.

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 has affected the Group's financial performance.

As 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, noting that the movement control order in Malaysia has effectively just ceased in May 2022. The emergence of more contagious sub-variants of COVID-19 may unwind the recent positive steps taken to curb the pandemic. In addition, there are other macro-events such as the Russia-Ukraine war, global supply chain shocks, inflationary pressure, depreciation of Malaysia Ringgit and interest rate hikes (which in turn makes financing of potential buyers of PCR units more costly) 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/recommended, a statement to that effect and the reason(s) for the decision.

No dividend was declared as there were no profits for 1QFY2023.

9. Interested Person Transactions

At an EGM of the Company held on 22 February 2022, the shareholders of the Company (excluding CH Biovest which abstained from voting), 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 1QFY2023 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)
		$	$
Finance costs			
CH Biovest	Controlling shareholder	33,800	34,765

10. Confirmation that the Issuer has procured undertaking from all its directors and executive officers 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. Disclosure of acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules.

The Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period.

12. Confirmation by the board pursuant to Rule 705(5) of the Catalist Rules

I, Ying Wei Hsein, being a director of Pacific Star Development Limited (the "**Company**"), do hereby confirm on behalf of the directors of the Company, that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Company and the Group for the 3-month period ended 30 September 2022 to be false or misleading in any material aspect.

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

Ying Wei Hsein
Executive Chairman
14 November 2022