

PACIFIC STAR
DEVELOPMENT LIMITED

(Formerly known as LH Group Limited)
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198203779D)

MATERIAL DIFFERENCES BETWEEN UNAUDITED FINANCIAL STATEMENTS RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2018

The Board of Directors (“**Board**”) of Pacific Star Development Limited (“**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited financial results for the Group for the financial period from 1 January 2017 to 30 June 2018 announced by the Company on 27 August 2018 (the “**Unaudited Results**”).

Pursuant to Rule 704(5) of Section B: Rules of Catalist of the Listing Manual (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to announce that subsequent to the release of the Unaudited Results, the external auditors have proposed certain adjustments between the Unaudited Results and the audited financial statements for the financial period ended 30 June 2018 (“**Audited Results**”) which the Management of the Company has adopted accordingly.

The variances that appear in the Statement of Financial Position of the Group in the Audited Results as compared to the Unaudited Results are set out in the table below.

	Group Audited Financial Statement S\$'000	Group Unaudited Financial Statement S\$'000	Variance Increase / (Decrease) S\$'000	Notes
Current Liabilities				
Trade Payables	22,212	21,447	765	A
Other Payables	26,319	15,584	10,735	A
Sub-Total	48,531	37,031	11,500	
Total Liabilities	147,168	135,668	11,500	
Net Assets	52,116	63,616	(11,500)	
Share Capital	47,801	25,301	22,500	B
Retained Earnings	5,789	5,789 ⁽¹⁾	-	
Capital Reserves	3,029	3,029 ⁽¹⁾	-	
Other Reserves	(34,000)	-	(34,000)	C

Currency translation reserves	92	92 ⁽¹⁾	-	
Reserves	(25,090) ⁽²⁾	8,910	(34,000)	
Equity attributable to owners of the Company	22,711	34,211	(11,500)	

- (1) These items were not presented as separate line items in the Statement of Financial Position in the Unaudited Results but are reflected as separate line items in the Statement of Financial Position of the Audited Results.
- (2) This is the summation of the retained earnings, capital reserves, other reserves, currency translation reserves.

Explanatory Notes

- A. S\$10.7 million in other payables are made up of the following two components:
- (i) S\$11.5 million relating to the purchase consideration payable to the vendor in relation to the completion of the reverse takeover (“**RTO**”) exercise (comprising S\$10.0 million and S\$1.5 million consideration payable) which was previously classified as equity. As the purchase consideration remains payable, it should be recorded as a liability to the vendor; and
 - (ii) Partially offset by the S\$0.765 million reclassification from other payables to trade payables.
- B. S\$22.5 million in share capital are made up of the following components:
- (i) S\$16.0 million cash consideration paid to the vendor in relation to the completion of RTO exercise; and
 - (ii) S\$6.5 million shares consideration which arose from the allotment and issuance of 24,375,000 top up shares at S\$0.2667 on 4 May 2017.
- C. S\$34.0 million in other reserves are made up of the following components:
- (i) S\$16.0 million cash consideration paid to the vendor in relation to the completion of RTO exercise per Note B;
 - (ii) S\$6.5 million shares consideration which arose from the allotment and issuance of 24,375,000 top up shares at S\$0.2667 on 4 May 2017 per Note B; and
 - (iii) S\$11.5 million consideration payable to the vendor in relation to the completion of the RTO exercise per Note A.

ON BEHALF OF THE BOARD

Glen Chan
CEO and Managing Director
4 October 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by 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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