

# PACIFIC STAR DEVELOPMENT LIMITED

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

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## DISPOSAL OF 51% SHAREHOLDING IN THE ISSUED AND PAID-UP SHARE CAPITAL OF AUTOTRAX INTERNATIONAL PTE. LTD.

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### 1. INTRODUCTION

- 1.1. The Board of Directors (the "**Board**") of Pacific Star Development Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 8 May 2017 entered into a sale and purchase agreement (the "**SPA**") with Mr. Shin Dae Kyun (the "**Purchaser**") for the disposal (the "**Disposal**") of 765,000 ordinary shares in Autotrax International Pte. Ltd. ("**Autotrax**") (representing 51% of the issued and paid-up share capital of Autotrax) for a consideration of S\$350,000.00 (the "**Consideration**"). The Purchaser is currently the 49%-equity business partner of Autotrax and is also the chief executive officer of the Group's vehicle traction devices business unit.
- 1.2. The aforementioned shares in Autotrax will be transferred to the Purchaser, upon fulfilment of payment of the Consideration, on the date of completion of the Disposal. Following completion of the Disposal, the Company will cease to have any interest in Autotrax and Autotrax will cease to be a subsidiary of the Company. This announcement is also made pursuant to Rule 704(17)(c) of the rules in Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**").

### 2. BACKGROUND AND RATIONALE FOR THE DISPOSAL

- 2.1. Autotrax was incorporated in Singapore on 1 July 2011 pursuant to a joint venture arrangement entered into between the Company and the Purchaser for the purpose of the design, manufacture and marketing of vehicle traction equipment.
- 2.2. Prior to the Disposal, the Company and the Purchaser held 51.0% and 49.0% shareholding interests in Autotrax respectively. The Purchaser is a director of Autotrax.
- 2.3. The Company considers the Disposal an opportunity for the Group to dispose of a loss-making, non-core business.

### 3. CONSIDERATION

- 3.1. The Consideration, which shall be wholly satisfied by way of cash, was arrived at after arm's length negotiations on a willing-buyer and willing-seller basis. The Consideration was derived after taking into consideration the net asset value of Autotrax of approximately S\$215,000 (after taking into consideration, amongst others, the write-offs of intangible assets and inventories, and impairments and waivers of intercompany loans) as at 31 December 2016.
- 3.2. The Consideration shall be satisfied in the following manner:-
  - (a) by way of a non-refundable cash payment amounting to S\$100,000 upon the execution of the SPA; and
  - (b) by way of cash payment amounting to S\$250,000 on the date of completion of the SPA.

#### **4. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES**

As each of the relative figures computed on the applicable bases set out in Rule 1006 of the Catalist Rules is less than 5.0%, the Disposal constitutes a “Non-Discloseable Transaction” for the purposes of Chapter 10 of the Catalist Rules.

#### **5. FINANCIAL IMPACT**

The Disposal is not expected to have any material impact on the Company’s consolidated net tangible assets or earnings per share for the financial year ending 31 December 2017.

#### **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for their respective shareholdings in the Company, none of the directors or the controlling shareholders of the Company have any interest, direct or indirect, in the Disposal.

#### **7. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the SPA is available for inspection during normal business hours at the Company’s registered office at Blk 8 #08-05, Liang Huat Industrial Complex, 51 Benoi Road, Singapore 629908 for a period of three months after the date of this announcement.

#### **BY ORDER OF THE BOARD**

Glen Chan  
CEO and Managing Director  
8 May 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”), 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.*

*The contact person for the Sponsor is Mr. Sebastian Jones, SAC Capital Private Limited at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. Telephone number: +65 6532 3829. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.*