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\* Asterisks denote mandatory information

Name of Announcer *	YHI INTERNATIONAL LIMITED
Company Registration No.	200007455H
Announcement submitted on behalf of	YHI INTERNATIONAL LIMITED
Announcement is submitted with respect to *	YHI INTERNATIONAL LIMITED
Announcement is submitted by *	Yuen Sou Wai
Designation *	Executive Director
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**>> Announcement Details**

The details of the announcement start here ...

Announcement Title \*

SALE OF SHARES IN SUBSIDIARY: EASTBOURNE METAL COATINGS CO LTD

Description

PLEASE REFER TO ATTACHMENT.

**Attachments** [YHI-SaleOfSharesInSubsidiary-Eastbourne.pdf](#)Total size = **76K**  
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**SALE OF SHARES IN SUBSIDIARY: EASTBOURNE METAL COATINGS CO LTD**

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**1. Introduction**

The Board of Directors of YHI International Limited (**the “Company”**) wishes to announce that its wholly owned subsidiary, YHI Manufacturing (Singapore) Pte Ltd (**“YHI (Manufacturing)”**), has entered into an agreement (**the “Agreement”**) on 30 September 2008 with Jeng Heng Investment Co., Ltd (**the “Purchaser”**), a company formed under the laws of Samoa, to dispose its entire equity interest, of 100% of its shareholding (**the “Sale Shares”**) in Eastbourne Metal Coatings Co Ltd (**“Eastbourne”**) to the Purchaser (the entire transaction being referred to as **the “Disposal”**).

**2. Consideration**

The aggregate sale consideration for the Sale Shares is RMB15 million or its equivalence in US Dollars (or approximately S\$3,118,000) (**the “Purchase Consideration”**) and will be satisfied by the Purchaser in cash.

The Purchase Consideration was agreed upon following arms’ length negotiations between the Company and the Purchaser on a willing buyer and willing seller basis.

The Company intends to use the sale proceeds from the Disposal to reduce bank borrowings.

Based on the consolidated results of the Group up to the date of the Disposal, there will be a net loss of approximately S\$670,000.

**3. Rationale**

The disposal of Eastbourne Metal Coatings Co Ltd, which is a loss making company, will be beneficial to the Group and will enhance its financial position.

**4. Financial Effects**

For illustrative purposes only, based on the assumptions set out below and on the audited accounts of the Company for the financial year ended 31 December 2007, the financial effects of the Disposal on the net tangible assets (**“NTA”**) per share and the earnings per share (**“EPS”**) of the Company are as follows.

Shareholders should note that the illustrative financial effects of the Disposal are not indicative of the actual financial effects of the Disposal nor are they indicative of the financial performance of the Company for the financial year ending 31 December 2007.

Illustrative Financial Effects of the Disposal

(a) NTA

The net tangible asset (**“NTA”**) per share of the Group prior to the Disposal was 28.76 cents for the financial year ended 31 December 2007. The NTA per share of the Group assuming that the Disposal had been effected on 31 December 2007, would have been 28.64 cents.

(b) EPS

The earnings per share ("EPS") of the Group prior to the Disposal was 4.49 cents for the financial year ended 31 December 2007. The EPS of the Group assuming that the Disposal had been effected on 31 December 2007, would have been 4.38 cents.

**5. Relative Figures computed pursuant to Rule 1006 of the Listing Manual**

<i>Rule 1006</i>	<i>Bases</i>	<i>%</i>
(a)	Net asset value of the assets to be disposed as compared with the net asset value of the Group based on the audited financials as at 31 December 2007	(0.30)
(b)	Net loss attributable to the assets to be disposed as compared with the Group's net profits based on the audited financials as at 31 December 2007	(0.25)
(c)	Aggregate value of the total sale consideration compared with the market capitalization of the Company as at 29 September 2008, being the market day immediately prior to the date of the Agreement	3.23
(d)	Number of equity securities issued by the Company as consideration for the acquisition compared with the number of equity securities previously in issue	Not applicable for disposal

**6. Interests of Directors and Substantial Shareholders**

None of the Directors or the Substantial Shareholders of the Company has any direct or indirect interest in the transaction.

**7. Documents for inspection**

A copy of the Agreement is available for inspection during normal business hours at the Company's registered office at 2 Pandan Road, Singapore 609254 for a period of 3 months from the date of this announcement.

**BY ORDER OF THE BOARD**

Yuen Sou Wai  
Executive Director  
22/10/2008

Submitted by Yuen Sou Wai, Executive Director on 22/10/2008 to the SGX.