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Acquisitions and Disposals :: Major Transaction :: DISPOSAL OF THE ENTIRE INTEREST IN QIAN WAN TECHNOLOGY CO., LTD.

* Asterisks denote mandatory information


Name of Announcer *	NETELUSION LIMITED
Company Registration No.	N.A.
Announcement submitted on behalf of	NETELUSION LIMITED
Announcement is submitted with respect to *	NETELUSION LIMITED
Announcement is submitted by *	Ng Lai Yick
Designation *	Executive Chairman
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	DISPOSAL OF THE ENTIRE INTEREST IN QIAN WAN TECHNOLOGY CO., LTD.
Description	Please see attached.

Attachments

 [Annc-DisposalQW-120410.pdf](#)
 Total size = **49K**
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NETELUSION LIMITED

(Incorporated in Bermuda)

(Company Registration No.: 27671)

DISPOSAL OF THE ENTIRE INTEREST IN QIAN WAN TECHNOLOGY CO., LTD.

The Board of Directors (the “Board”) of NeteLusion Limited (the “Company”) wishes to announce that its subsidiary, Xiamen PioneerSoft Company Limited (“PioneerSoft”), has, on 9 April 2010, entered into a Share Transfer Agreement (“Agreement”) with Long Shapiro Core Information Services Limited 长沙博睿资讯服务有限公司 (the “Purchaser”), for the disposal by PioneerSoft its entire interest in the capital of Qian Wan Technology Co., Ltd (“Qian Wan”) (the “Disposal”).

Information on Qian Wan

Qian Wan is a domestic enterprise in the Peoples’ Republic of China (“PRC”) owned legally by the PRC nationals with a registered capital of RMB1 million. Qian Wan is engaged in the operation of online games in PRC. PioneerSoft has entered into contractual arrangement with the legal owners of Qian Wan so that operating and financing activities of Qian Wan are ultimately controlled by PioneerSoft. The ownership interests in Qian Wan have also been pledged by the legal owners of Qian Wan to the PioneerSoft. On this basis, the Board regards Qian Wan as a subsidiary of PioneerSoft.

Rational for Disposal

The Board is of the opinion that the Disposal is in the best interest of the Company and its subsidiaries (the “Group”) as Qian Wan is in a loss making position. The Disposal would represent an opportunity for the Company to dispose of non-core business and non-performing asset which does not contribute to the Group’s revenue nor bottom line.

Consideration

The total consideration of RMB2 will be satisfied in cash within three working days after the completion of the registration of share transfers. In addition, the Purchaser will provide financial assistance of RMB600,000 to Qian Wan for the repayment of outstanding balance due to PioneerSoft via two installments. The first installment of RMB420,000 shall be made within three business days after signing of the Agreement. The payment for remaining RMB180,000 shall be made to PioneerSoft within three business days after the completion of the registration of share transfers.

The consideration is arrived at on a willing-buyer and willing-seller arm's length basis, after taking into consideration, by both the Purchaser and PioneerSoft, the loss-making position of Qian Wan.

Intended use of the proceeds

The proceeds from the Disposal would be used as working capital for the Company.

Financial effects

For illustration purposes only, based on the audited consolidated financial statements of the Company for the financial year ended 31 March 2009, the financial effects of the Disposal would be as follows:

- (a) Net tangible asset per share of the Group would be increased from US0.86 cents to US0.97 cents, assuming that the Disposal had been completed on 31 March 2009 and the total number of the Company's issued shares as at 31 March 2009 being 180,422,582; and
- (b) Loss per share of the Group would be reduced from US3.06 cents to US3.02 cents, assuming that the Disposal had been completed on 1 April 2008 and the total number of the Company's issued shares during the year ended 31 March 2009 being 180,422,582.

The Disposal as a Major Transaction

The relative figures of the Disposal computed on the bases set out in Rules 1006 of the Listing Manual of the SGX-ST, based on the latest announced consolidated financial statements of the Group as at 30 September 2009 are as follows:

Relative figures

Rule 1006(a)

Net deficit value of Qian Wan as at 30 September 2009	US\$(225,000)
Net asset value of the Group	US\$825,000
Size of the relative figure	-27.3%

Rule 1006(b)

Net loss of Qian Wan as at 30 September 2009	US\$(25,000)
Net loss of the Group	US\$(734,000)
Size of the relative figure	3.4%

Rule 1006(c)

Aggregate value of the consideration to be received	RMB600,002 (approximately equivalent to US\$88,000)
The Company's market capitalization as at 7 April 2010, being the last market day on which there were trades in the shares, preceding the date of the Agreement.	S\$9,923,000 (approximately equivalent to US\$5,921,000)
Size of the relative figure	1.5%

Rule 1006(d)

Not applicable

Based on the above computations, the relative figure under Rule 1006(a) exceeds 20%, and the Disposal would therefore require shareholders' approval pursuant to Rule 1014 of the Listing Manual. However, as Qian Wan is loss making and is not a core business of the Group, according to 4.1 of Practice Note 10.1 of Listing Manual, shareholders generally would not be concerned if the assets to be disposed of are non-core or loss making. The Company will write to SGX-ST for a waiver from the requirement to seek shareholders' approval for the Disposal under Rule 1014 of the Listing Manual.

The Company would update shareholders on further development of this matter where appropriate.

Interest of Directors and controlling shareholders

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

Document available for inspection

A copy of the Agreement will be made available for inspection at the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 during normal business hours for a period of three (3) months from this Announcement:

BY ORDER OF THE BOARD

Michael Ng Lai Yick
Executive Chairman
12 April 2010