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**Acquisitions and Disposals :: Non-Mandatory Disclosure :: DISPOSAL OF 100% INTEREST IN WUHAN CAIDIAN HUANCHENG WASTE WATER TREATMENT CO., LTD.**

\* Asterisks denote mandatory information

Name of Announcer *	ASIA WATER TECHNOLOGY LTD.
Company Registration No.	200210042R
Announcement submitted on behalf of	ASIA WATER TECHNOLOGY LTD.
Announcement is submitted with respect to *	ASIA WATER TECHNOLOGY LTD.
Announcement is submitted by *	Liu Yujie
Designation *	Executive Director
Date & Time of Broadcast	01-Mar-2011 20:57:55
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**>> Announcement Details**

The details of the announcement start here ...

Announcement Title *	DISPOSAL OF 100% INTEREST IN WUHAN CAIDIAN HUANCHENG WASTE WATER TREATMENT CO., LTD.
Description	Please see attached.

**Attachments**
 [AWT\\_Disposal\\_of\\_Wuhan\\_Caidian\\_1March2011.pdf](#)

Total size = **87K**  
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## Asia Water Technology Ltd.

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### DISPOSAL OF 100% INTEREST IN WUHAN CAIDIAN HUANCHENG WASTE WATER TREATMENT CO., LTD. (武汉蔡甸环晨污水处理有限公司)

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The Board of Directors of Asia Water Technology Ltd. (the “**Company**”) wishes to announce that Wuhan Kaidi Water Services Co., Ltd. (武汉凯迪水务有限公司) (“**Kaidi Water**”), a wholly owned subsidiary of the Company, had entered into an agreement (the “**Agreement**”) with Wuhan Gelin Tiandi Environment Group Co., Ltd. (“**Gelin**”), to dispose of its 100% interest in Wuhan Caidian Huancheng Waste Water Treatment Co., Ltd. (武汉蔡甸环晨污水处理有限公司) (“**Caidian**”) at a consideration of RMB21.10 million.

This transaction shall be referred to herein as the “**Disposal**” and the details of the Disposal are as follows:

(a) Principal Activity of Caidian and Rationale for the Disposal

The principal activity of Caidian is to provide waste water treatment.

Caidian was acquired by the Group in May 2010. The understanding of the parties was that the seller, Gelin, has committed to ensure that upon acquisition by Kaidi Water, Caidian is able to meet the conditions of procuring the service concession rights to operate the waste water treatment plant.

Subsequent to the acquisition, it has come to light that Caidian is unable to meet these conditions. Hence, in the interest of the Group, Kaidi Water disposed of its entire shareholding in Caidian.

(b) Consideration

The consideration for the Disposal is RMB21.10 million (the “**Consideration**”). The Consideration was agreed upon after arm’s length negotiations, on a “willing-buyer, willing-seller basis, taking into account the net asset value of Caidian as at 31 December 2010. The Consideration is equivalent to the amount paid by the Group for Caidian in May 2010.

The Consideration is to be paid in two installments. The Group has received the first installment of RMB4.22 million and the balance will be paid by 31 March 2011.

There are no material conditions attached to the Disposal.

(c) Financial Effects of the Disposal

Based on the unaudited financial statements of Caidian for the 12 months ended 31 December 2010, its net tangible asset value is approximately RMB20.26 million. The excess of the Consideration over the net tangible asset value of Caidian is approximately RMB0.84 million.

The Disposal is not expected to have any material financial impact on the earnings per share and net tangible assets per share of the Group for the financial year ended 31 December 2010 and the financial year ending 31 December 2011.



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(d) Relative Figures of the Disposal under Chapter 10 of the Rules of Catalyst

The relative figures as computed against the bases set out in Rule 1006 of the Listing Manual – Section B: Rules of Catalyst (“Rules of Catalyst”) (based on the unaudited financial statements of Caidian for 3QFY2010 and the latest published unaudited consolidated financial statements of the Group for 3QFY2010) are as follows:

Rule No.	Information Required under the Rules	Response
1006 (a)	NAV of the assets disposed of, compared with the Group’s NAV	Caidian’s NAV of RMB18.5 million represents approximately 4.9% of the Group’s NAV of RMB381.2 million
1006 (b)	Net profit attributable to the assets acquired or disposed of, compared with the Group’s net profit	Not applicable as Caidian recorded a loss of RMB1.5 million as compared to the Group’s profit of RMB9.3 million
1006 (c)	The aggregate value of the consideration given or received, compared to the issuer’s market capitalisation based on the total number of issued shares, excluding treasury shares	The Consideration represents approximately 2.6% of the Company’s market capitalisation of S\$159.1 million as at 29 December 2010 (being the date of the Agreement)
1006 (d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	This is not applicable to the Disposal

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

A copy of the Agreement is available for inspection at the registered office of the Company during business hours for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

Liu Yujie  
Executive Director  
1 March 2011

*“This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Exchange. The Company’s Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the Exchange and the Exchange 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. Huang Wei Beng (Tel: 65-6221 5590) at 79 Anson Road #15-03 Singapore 079906.”*