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浙江浙大網新蘭德科技股份有限公司

ZHEDA LANDE SCITECH LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code : 8106)

**(1) CAPITAL INCREASE AND ISSUE OF
NEW DOMESTIC SHARES UNDER GENERAL MANDATE;
(2) CHANGE OF SHAREHOLDING STRUCTURE;
(3) CHANGE OF EXECUTIVE DIRECTORS; AND
(4) RESUMPTION OF TRADING**

CAPITAL INCREASE AND ISSUE OF NEW DOMESTIC SHARES UNDER GENERAL MANDATE

On 23 July 2007, the Company entered into the Capital Increase and Subscription Agreement with the Subscriber pursuant to which the Company agreed to (i) increase its registered share capital from RMB33,957,700 (equivalent to approximately HK\$33,957,700) to RMB35,654,617 (equivalent to approximately HK\$35,654,617); and (ii) allot and issue 16,969,170 Subscription Shares to the Subscriber at a price of RMB0.37 (equivalent to approximately HK\$0.37) per Subscription Share, which represents (a) a discount of approximately 15.9% to the closing price of HK\$0.44 per H Share as quoted on the Stock Exchange on the Last Trading Day; (b) a discount of 15.9% to the average closing price of HK\$0.44 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and (c) a discount of approximately 11.9% to the average closing price of approximately HK\$0.42 per H Share for the last ten consecutive trading days up to and including the Last Trading Day. To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties and are not connected persons of the Company as defined under the GEM Listing Rules.

The Subscription Shares represents approximately 7.5% and 5% of the Domestic Shares in issue and the total registered share capital of the Company respectively prior to the completion of the Subscription and approximately 6.9% and 4.8% of the Domestic Shares in issue and the total registered share capital of the Company respectively as enlarged by the issue of the Subscription Shares.

The net proceeds from the Subscription, after deducting relevant expenses, will be approximately RMB6,150,000 (equivalent to approximately HK\$6,150,000). The Company intends to use such net proceeds for business development and general working capital of the Group.

The Subscription Shares will be allotted and issued under the General Mandate.

CHANGE OF SHAREHOLDING STRUCTURE

The Board has been informed that the Vendors and the Subscriber entered into the Sale and Purchase Agreements on 23 July 2007 pursuant to which the Vendors, namely Mr. Shi Chun Hua, Mr. Huo Zhong Hui, Mr. Wang Jin Cheng and Mr. Chen Chun agreed to sell to the Subscriber and the Subscriber agreed to purchase from the Vendors an aggregate of 17,148,638 Selling Shares. Completion of each of the Sale and Purchase Agreements is subject to the approval by the Ministry of Commerce, which has imposed the following conditions:

- (1) the Company is required to pass a resolution in general meeting to approve the transactions contemplated under the Sale and Purchase Agreements; and
- (2) the Company is required to pass a resolution in general meeting to approve the amendments to the Articles of Association.

The Board announces that a special resolution for amending the Articles of Association and an ordinary resolution for approving the Domestic Share Transfers as contemplated under the Sale and Purchase Agreements will be proposed at the EGM. The necessary amendments to the Articles of Association will serve the purpose of reflecting the change in the registered share capital and the shareholding structure of the Company after completion of the Capital Increase, Subscription and Domestic Share Transfers.

A notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

CHANGE OF EXECUTIVE DIRECTORS

The Board hereby announces that Mr. Xue has resigned as an executive Director with effect from 20 July 2007.

The Board is pleased to announce that Mr. Chao has been appointed as an executive Director with effect from 20 July 2007 until the conclusion of the next annual general meeting of the Company.

The Directors, including Mr. Xue, confirmed that nothing should be brought to the attention of the Shareholders in relation to the resignation of Mr. Xue and the appointment of Mr. Chao.

RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares was suspended with effect from 9:30 a.m. on 23 July 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the H Shares with effect from 9:30 a.m. on 25 July 2007.

1. CAPITAL INCREASE AND ISSUE OF NEW DOMESTIC SHARES UNDER GENERAL MANDATE

The Capital Increase and Subscription Agreement

On 23 July 2007, the Company entered into the Capital Increase and Subscription Agreement with the Subscriber pursuant to which the Company agreed to (i) increase its registered share capital from RMB33,957,700 (equivalent to approximately HK\$33,957,700) to RMB35,654,617 (equivalent to approximately HK\$35,654,617); and (ii) allot and issue 16,969,170 Subscription Shares to the Subscriber.

The Subscriber is a limited liability company incorporated under the laws of the PRC and is principally engaged in technology development and consultation, provision of technical service and business consulting services within the scope of computer and electronic technology service. To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties and are not connected persons of the Company as defined under the GEM Listing Rules.

The Subscription Shares

Pursuant to the Capital Increase and Subscription Agreement, the Subscriber agreed to subscribe for 16,969,170 Subscription Shares, which represents approximately 7.5% and 5% of the Domestic Shares in issue and the total registered share capital of the Company respectively prior to the completion of the Subscription and approximately 6.9% and 4.8% of the Domestic Shares in issue and the total registered share capital of the Company respectively as enlarged by the issue of the Subscription Shares.

The Subscription Shares are to be issued by the Company under the General Mandate. No Share has been issued by the Company pursuant to the General Mandate up to the date of this announcement.

Subscription Price

The subscription price of RMB0.37 (equivalent to approximately HK\$0.37) per Subscription Share was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price and the trading volume of the Shares and represents:

- (a) a discount of approximately 15.9% to the closing price of HK\$0.44 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of 15.9% to the average closing price of HK\$0.44 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 11.9% to the average closing price of approximately HK\$0.42 per H Share for the last ten consecutive trading days up to and including the Last Trading Day.

The Directors (including the independent non-executive Directors) considered the subscription price of RMB0.37 per Subscription Share to be fair and reasonable and the Capital Increase and Subscription Agreement is in the interest of the Shareholders and the Company as a whole.

Ranking of the Subscription Shares

The Subscription Shares, save as otherwise provided in the applicable laws, rules and regulations and the Articles of Association, will rank *pari passu* with the existing Domestic Shares and H Shares in all respects.

Procedures Regarding the Capital Increase and Subscription

The Company will submit an application to the Ministry of Commerce for approving the Capital Increase within 15 working days from the date of the Capital Increase and Subscription Agreement. Upon approval of the Capital Increase by the Ministry of Commerce, the Subscriber will make payment of the subscription amount of approximately RMB6,278,590 (equivalent to approximately HK\$6,278,590) by cash to a bank account designated by the relevant capital verification organisation which will then conduct capital verification on the increased registered share capital of the Company. Within the day after the day on which the capital verification procedures are completed, the Company will apply to the relevant authorities for change of its registration particulars and the Capital Increase will become effective and the Subscription will be completed upon completion of the relevant procedures.

Reasons for the Subscription and Use of Proceeds

The net proceeds from the Subscription, after deducting relevant expenses, will be approximately RMB6,150,000 (equivalent to approximately HK\$6,150,000). The Company intends to use such net proceeds for business development and general working capital of the Group.

The Group is principally engaged in the provision of telecommunication solutions, trading of hardware and computer software and investment holding. The Board is of the view that the Subscription represents a good opportunity to raise additional funds to strengthen the Group's financial position and at the same time broaden its capital base.

2. CHANGE IN SHAREHOLDING STRUCTURE

The Board has been notified that the Vendors, which are all existing shareholders of the Company, and the Subscriber entered into the Sale and Purchase Agreements on 23 July 2007, pursuant to which the Vendors agreed to sell to the Subscriber and the Subscriber agreed to purchase from the Vendors an aggregate of 17,148,638 Selling Shares as follows:

Mr. Shi Chun Hua agreed to sell 9,254,468 Domestic Shares to the Subscriber;

Mr. Chen Chun agreed to sell 4,094,130 Domestic Shares to the Subscriber;

Mr. Wang Jin Cheng agreed to sell 2,505,910 Domestic Shares to the Subscriber; and

Mr. Huo Zhong Hui agreed to sell 1,294,130 Domestic Shares to the Subscriber.

The current shareholding structure of the Company as well as the shareholding structure after completion of (i) the Capital Increase and Subscription; and (ii) the Domestic Share Transfers is set out as follows:

Shareholder	Number of Domestic Shares/ H Shares held as at the date of this announcement	%	Number of Domestic Shares/ H Shares held after completion of the Capital Increase/ Subscription	%	Number of domestic shares/ H shares held after completion of the Domestic Share Transfers	%
Subscriber	–	0.00%	16,969,170 Domestic Shares	4.76%	34,117,808 Domestic Shares	9.57%
Insigma Technology Company Limited	81,802,637 Domestic Shares	24.10%	81,802,637 Domestic Shares	22.94%	81,802,637 Domestic Shares	22.94%
Mr. Chen Ping	36,392,320 Domestic Shares	10.72%	36,392,320 Domestic Shares	10.21%	36,392,320 Domestic Shares	10.21%
Guoheng Shengxing Media Science Group Company Limited	34,117,800 Domestic Shares	10.05%	34,117,800 Domestic Shares	9.57%	34,117,800 Domestic Shares	9.57%
Mr. Wu Zhong Hao	16,490,280 Domestic Shares	4.86%	16,490,280 Domestic Shares	4.63%	16,490,280 Domestic Shares	4.63%
Mr. Shi Chun Hua	16,490,280 Domestic Shares	4.86%	16,490,280 Domestic Shares	4.63%	7,235,812 Domestic Shares	2.03%
Ms. Liu Qiao Ping	10,235,340 Domestic Shares	3.01%	10,235,340 Domestic Shares	2.87%	10,235,340 Domestic Shares	2.87%
Mr. Wang Jin Cheng	7,505,910 Domestic Shares	2.21%	7,505,910 Domestic Shares	2.11%	5,000,000 Domestic Shares	1.40%
Mr. Wang Lei Bo	7,505,910 Domestic Shares	2.21%	7,505,910 Domestic Shares	2.11%	7,505,910 Domestic Shares	2.11%
Mr. Chen Guo Cai	5,311,473 Domestic Shares	1.56%	5,311,473 Domestic Shares	1.49%	5,311,473 Domestic Shares	1.49%
Mr. Chen Chun	4,094,130 Domestic Shares	1.21%	4,094,130 Domestic Shares	1.15%	–	0.00%
Mr. Huo Zhong Hui	4,094,130 Domestic Shares	1.21%	4,094,130 Domestic Shares	1.15%	2,800,000 Domestic Shares	0.79%
Mr. Jin Lian Fu	3,411,790 Domestic Shares	1.00%	3,411,790 Domestic Shares	0.96%	3,411,790 Domestic Shares	0.96%
Total Domestic Shares	227,452,000 Domestic Shares	67.00%	244,421,170 Domestic Shares	68.55%	244,421,170 Domestic Shares	68.55%
Public	112,125,000 H shares	33.00%	112,125,000 H shares	31.45%	112,125,000 H shares	31.45%
Total	339,577,000 Shares	100.00%	356,546,170 Shares	100.00%	356,546,170 Shares	100.00%

As confirmed by the Directors, there is no restriction on transfer of Domestic Shares. Since the Company is a foreign invested joint stock limited company, completion of each of the Sale and Purchase Agreements is subject to approval by the Ministry of Commerce, which has imposed the following conditions:

- (1) the Company is required to pass a resolution in general meeting to approve the transactions contemplated under the Sale and Purchase Agreements; and
- (2) the Company is required to pass a resolution in general meeting to approve the amendments to the Articles of Association.

As such, the Board has decided to convene the EGM at which resolutions for amending the Articles of Association and approving the Domestic Share Transfers as contemplated under the Sale and Purchase Agreements will be put forth to be considered, and if thought fit, approved by the Shareholders. The necessary amendments to the Articles of Association will serve the purpose of reflecting the change in the registered share capital and the shareholding structure of the Company after completion of the Capital Increase, Subscription and Domestic Share Transfers. A notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules or any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

4. CHANGE OF THE EXECUTIVE DIRECTORS

Resignation of Mr. Xue

The Board announces that Mr. Xue has resigned as an executive Director with effect from 20 July 2007 due to his resignation from office in Guoheng Shenxing and cessation to act as Guoheng Shenxing's representative in the Board.

The Board, including Mr. Xue, confirmed that (i) there had been no dispute between the Company and Mr. Xue during his appointment; and (ii) there was no matter regarding Mr. Xue's resignation that needed to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its appreciation to Mr. Xue for his contribution towards the Company during his term of service with the Company.

Appointment of Mr. Chao

The Board is pleased to announce that Mr. Chao has been appointed as an executive Director with effect from 20 July 2007, and to hold office until the conclusion of the next annual general meeting of the Company.

Mr. Chao, aged 43, received a bachelor degree of engineering from 北京郵電大學 (Beijing University of Posts and Telecommunications) in 1985 and a master degree of economics from 中國人民大學 (Renmin University of China) in 1987. After graduation, Mr. Chao worked as a research assistant in 中華人民共和國國家物價局 (State Bureau of Commodity Prices of the PRC) until 1993. During the period between 1993 and 1999, Mr. Chao was the vice editorial director of 中華人民共和國國家發展和改革委員會 (National Development and

Reform Commission of the PRC) (previously known as 中華人民共和國國家計劃委員會 (State Planning Commission of the PRC)). He then became an assistant to director of 中央國債登記結算有限責任公司 (China Government Securities Depository Trust & Clearing Co., Ltd.) from 1999 to 2001. Since 2001, he has been serving as the chief executive director of 國恆盛興傳媒科技集團股份有限公司 (Guoheng Shengxing Media Science Group Company Limited), a substantial Shareholder of the Company holding approximately 10.05% of the issued share capital of the Company as of the date of this announcement. Mr. Chao has been appointed as an executive Director with effect from 20 July 2007. Save as disclosed herein, Mr. Chao has not previously held any position with the Company or any of its subsidiaries. Further, Mr. Chao has not held any directorship in any other listed company over the last three years.

The term of office of Mr. Chao shall take effect from 20 July 2007 until the conclusion of the next annual general meeting of the Company at remuneration of RMB20,000 per annum. Such remuneration does not include any bonus and was determined by the Company with reference to the remuneration of the current Directors. In addition, Mr. Chao is entitled to a bonus payment from the Company which will be determined based on the performance of the Group.

Save as disclosed above, Mr. Chao is not connected with any Directors, senior management, substantial Shareholders or management Shareholders nor does he have any interest in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there are no other information in relation to the appointment of Mr. Chao which are required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and no other matters that need to be brought to the attention of the Shareholders.

5. RESUMPTION OF TRADING

At the request of the Company, trading in securities of the Company on the GEM was suspended with effect from 9:30 a.m. on 23 July 2007 pending the release of this announcement. Application has been made by the Company to resume the trading of the securities of the Company with effect from 9:30 a.m. on 25 July 2007.

DEFINITIONS

“Articles of Association”	the articles of association of the Company, as amended from time to time;
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors;
“Capital Increase”	the proposed increase of the registered share capital of the Company from RMB33,957,700 (equivalent to HK\$33,957,700) to RMB35,654,617 (equivalent to approximately HK\$35,654,617);
“Capital Increase and Subscription Agreement”	the capital increase and share subscription agreement dated 23 July 2007 between the Company and the Subscriber, the transactions contemplated thereunder are set out in the paragraph headed “Capital Increase, Issue of New Domestic Shares under General Mandate” in this announcement;

“Company”	浙江浙大網新蘭德科技股份有限公司 (Zheda Lande Scitech Limited*), a joint stock limited company incorporated under the laws of the PRC, whose H Shares are listed on the GEM;
“Directors”	the directors of the Company, including the independent non-executive directors;
“Domestic Shares”	domestic shares of RMB0.10 each in the share capital of the Company which are subscribed for in RMB;
“Domestic Share Transfers”	the transfers of Selling Shares as contemplated under the Sale and Purchase Agreements;
“EGM”	the extraordinary general meeting to be convened by the Company for amending the Articles of Association and approval of the transactions contemplated under the Sale and Purchase Agreements;
“GEM”	the Growth Enterprise Market operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“General Mandate”	the general mandate granted to the Directors to exercise the powers of the Company to place and/or issue H Shares and/or Domestic Shares up to 20% of the number of H Shares and/or Domestic Shares in issue respectively pursuant to the ordinary resolution of the Shareholders passed in the annual general meeting of the Company held on 22 May 2007;
“Group”	the Company and its subsidiaries;
“Guoheng Shenxing”	國恆盛興傳媒科技集團股份有限公司(Guoheng Shenxing Media Science Group Company Limited), a substantial Shareholder of the Company holding approximately 10.05% of the issued share capital of the Company as of the date of this announcement;
“H Shares”	overseas listed foreign listed shares of RMB0.10 each in the share capital of the Company which are subscribed for and traded in HK\$;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, any person who is not connected to any director, supervisor, chief executive, promoter, substantial shareholder or management shareholder (both as defined in the GEM Listing Rules) of the Company or its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules), nor a connected person (as defined in the GEM Listing Rules);

“Last Trading Day”	20 July 2007, being the last trading day prior to the release of this announcement;
“Ministry of Commerce”	中華人民共和國商務部 (Ministry of Commerce of the PRC);
“Mr. Chao”	Chao Hong Bo (曹鴻波), details of whom are set out in the paragraph headed “Change of the Executive Directors” in this announcement;
“Mr. Xue”	Mr. Xue Shi Cheng (薛仕成);
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreements”	the sale and purchase agreements dated 23 July 2007 between the Vendors and the Subscriber, pursuant to which the Vendors agreed to sell and the Subscriber agreed to purchase the Selling Shares;
“Selling Shares”	17,148,638 Domestic Shares;
“Subscriber”	上海長尾投資管理有限公司 (Shanghai Longtail Investment Management Co., Ltd.), which agreed to subscribe for the Subscription Shares pursuant to the Capital Increase and Subscription Agreement and purchase the Selling Shares pursuant to the Sale and Purchase Agreements;
“Subscription Shares”	16,969,170 Domestic Shares to be allotted and issued by the Company to the Subscriber pursuant to the Capital Increase and Subscription Agreement;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	the holders of the Shares;
“Shares”	Domestic Shares and H Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of Subscription Shares by the Subscriber pursuant to the Capital Increase and Subscription Agreement;

“Vendors”

Mr. Shi Chun Hua (施春華), Mr. Wang Jin Cheng (王金成), Mr. Chen Chun (陳純) and Mr. Huo Zhong Hui (霍忠會), who are the holders of 16,490,280 Domestic Shares, 7,505,910 Domestic Shares, 4,094,130 Domestic Shares and 4,094,130 Domestic Shares respectively, immediately before completion of the Capital Increase and Subscription Agreement; and

“%”

percentage.

By Order of the Board
Chen Ping
Chairman

Hangzhou, the PRC, 24 July 2007

* For identification purpose only

As at the date of this announcement, the Board comprises five executive directors, being Mr. Chen Ping, Mr. Shi Lie, Ms. Pan Lichun, Mr. Hu Yang Jun and Mr. Chao Hong Bo, and three independent non-executive directors, being Mr. Zhang De Xin, Mr. Cai Xiao Fu and Mr. Gu Yu Lin.

This announcement, for which the directors of Zheda Lande Scitech Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Zheda Lande Scitech Limited*. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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