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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)

DISCLOSEABLE TRANSACTION

On 11 November 2005, the Company and AsiaInfo, an Independent Third Party, entered into the Assets Transfer Agreement whereby subject to certain conditions precedent the Company agreed to sell and AsiaInfo agreed to purchase from the Company the Telecommunications Operation Support Business at a consideration not exceeding RMB8,250,000 (approximately HK\$7,933,000). All the conditions precedent to the Assets Transfer Agreement were fulfilled on or before 2 December 2005. The Company confirmed that it had sufficient working capital for its daily operating expenses before the disposal of the Telecommunications Operation Support Business.

According to the GEM Listing Rules, the disposal of the Telecommunications Operation Support Business constitutes a discloseable transaction of the Company. A circular containing, *inter alia*, details of the Assets Transfer Agreement and the transactions contemplated thereunder will be despatched to the shareholders of the Company according to the requirements of the GEM Listing Rules.

Due to an inadvertent oversight, disclosure of the discloseable transaction which would have been required by way of press announcement at the time the discloseable transaction was entered into was previously overlooked. This oversight constitutes a breach of Rule 19.34 of the GEM Listing Rules and the Stock Exchange has indicated that it reserves the right to take appropriate action against the Company and the Directors in this respect.

ASSETS TRANSFER AGREEMENT

Date : 11 November 2005

Parties : The Company, as vendor; and
AsiaInfo, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, AsiaInfo and its ultimate beneficial owners are Independent Third Parties.

Terms : In accordance with the terms and conditions of the Assets Transfer Agreement, the Company shall sell and AsiaInfo shall purchase from the Company the Telecommunications Operation Support Business.

CONDITIONS PRECEDENT TO THE ASSETS TRANSFER AGREEMENT

The conditions precedent to AsiaInfo's performance of the Assets Transfer Agreement include but not limited to the following:

1. AsiaInfo has conducted appropriate due diligence on the Company's business, assets, accounts, finance, employees and legal affairs;
2. The Assets Transfer Agreement and the transactions contemplated thereunder have been approved by the competent authority of the Company;
3. The Company has obtained all necessary authorizations, consents and approvals in respect of the Assets Transfer Agreement and the transactions contemplated thereunder;
4. The Company has signed other necessary agreements or documents that are necessary for the purposes of assets transfer under the Assets Transfer Agreement;
5. The Company and its shareholders have performed and complied with all undertakings under the Assets Transfer Agreement;
6. All representations and warranties given by the Company under the Assets Transfer Agreement are true and accurate;
7. There is no occurrence of any incident or situation that has been or should be reasonably expected to cause material adverse change to the assets, staff and software licence to be transferred under the Assets Transfer Agreement or the transactions contemplated under the Assets Transfer Agreement;
8. All other acts have been or to be performed by the Company for completion of the transactions contemplated under the Assets Transfer Agreement as well as all certificates, opinions, instruments or other documents as required under the Assets Transfer Agreement are reasonably satisfactory to AsiaInfo in both form and content; and
9. There is not any continuing, pending or foreseeable lawsuit or legal proceedings in addition to any unfavourable injunction, judgment, order, court order, verdict, accusation or administrative order which may (a) prevent any transaction contemplated under the Assets Transfer Agreement from completion; (b) cause cancellation of any transaction contemplated under the Assets Transfer Agreement after completion; (c) cause material adverse effect on the assets, staff or software licence to be transferred under the Assets Transfer Agreement; or (d) cause material adverse effect on AsiaInfo's rights or ability to operate its intended business as a result of the acquisition of Telecommunications Operation Support Business under the Assets Transfer Agreement.

The conditions precedent to the Company's performance of the Assets Transfer Agreement include but not limited to the following:

1. The Assets Transfer Agreement and the transactions contemplated thereunder have been approved by the competent authority of AsiaInfo;
2. All representations and warranties given by AsiaInfo to the Company under the Assets Transfer Agreement remain true and accurate as at the Transfer Date;

3. AsiaInfo has performed and complied with all undertakings under the Assets Transfer Agreement as at the Transfer Date; and
4. All other acts to be performed by AsiaInfo for completion of the transactions contemplated under the Assets Transfer Agreement as well as all certificates, opinions, instruments or other documents as required under the Assets Transfer Agreement are reasonably satisfactory to the Company in both form and content.

In the event that the conditions precedent are not fulfilled (or waived by either party in writing), the Assets Transfer Agreement shall be terminated in accordance with the provisions contained therein. The Directors confirm that all the conditions precedent to the Assets Transfer Agreement were fulfilled on or before 2 December 2005.

The Company confirmed that it had sufficient working capital for its daily operating expenses before the disposal of the Telecommunications Operation Support Business.

CONSIDERATION

The Company and AsiaInfo have agreed that the Consideration shall not exceed RMB8,250,000 (approximately HK\$7,933,000) which are determined on the basis of the expected cash flows generated from the Telecommunications Operation Support Business and the carrying value of assets underlying the said business. The constituent parts of the Consideration are set out as follows:

- (A) Within ten (10) working days upon fulfillment of the following conditions before 31 December 2005, AsiaInfo shall pay to the Company the sum of RMB1,500,000 (approximately HK\$1,442,000) (the “**First Payment**”):
 - (1) all core staff to be transferred under the Assets Transfer Agreement have signed their respective employment, confidentiality and non-competition agreements (provided by AsiaInfo) with AsiaInfo;
 - (2) the Company has procured its customers to enter into the Novation Agreements with AsiaInfo and the Company with an aggregate unbilled service fees amount to RMB1,500,000 (approximately HK\$1,442,000).
- (B) Within ten (10) working days upon fulfillment of the following condition before 31 December 2005, AsiaInfo shall pay to the Company the sum of RMB1,650,000 (approximately HK\$1,587,000) (the “**Second Payment**”):

The Company has procured its customers to enter into the Novation Agreements with AsiaInfo and the Company with an aggregate unbilled service fees amount to RMB4,300,000 (approximately HK\$4,135,000).

In the event that either the First Payment or the Second Payment is not made on or before 31 December 2005 due to non-fulfillment of the condition(s) in relation thereto, the Company and AsiaInfo shall further negotiate the performance of the Assets Transfer Agreement.

(C) Subsequent Payments

- (1) AsiaInfo shall pay to the Company the sum of RMB100,000 (approximately HK\$96,000) if AsiaInfo obtains renewal of the Purchase Contracts in relation to the required software for the China Telecom Intellectual restructure project (“中國電信智能網整合改造項目指定電話付費業務全國聯網工程(黑龍江、山西、河南和天津綜合部份) 新增需求軟件採購合同”) with the customer.
- (2) The Company shall procure AsiaInfo to enter into a cooperation agreement with Zhejiang Telecom Company Limited (浙江省電信有限公司). Where the net sales proceeds under such cooperation agreement (the “**Net Sales Proceeds (Zhejiang Telecom)**”) amount to or exceed RMB5,000,000 (approximately HK\$4,808,000), AsiaInfo shall pay to the Company the sum of RMB2,500,000 (approximately HK\$2,404,000) within ten (10) working days from the date of signing of the said cooperation agreement. In the event that the Net Sales Proceeds (Zhejiang Telecom) are less than RMB5,000,000 (approximately HK\$4,808,000), AsiaInfo shall pay to the Company 50% of the Net Sales Proceeds (Zhejiang Telecom).
- (3) The Company shall procure AsiaInfo to enter into a cooperation agreement with Sichuan Telecom Company Limited (四川省電信有限公司). Where the net sales proceeds under such cooperation agreement (the “**Net Sales Proceeds (Sichuan Telecom)**”) are not less than RMB500,000 (approximately HK\$481,000), AsiaInfo shall pay to the Company the sum of RMB200,000 (approximately HK\$192,000) within ten (10) working days from the date of signing of the said cooperation agreement. In the event that the Net Sales Proceeds (Sichuan Telecom) are less than RMB500,000 (approximately HK\$481,000), AsiaInfo shall pay to the Company 40% of the Net Sales Proceeds (Sichuan Telecom).
- (4) According to clause 3.1(3)(D) of the Assets Transfer Agreement, the Company and AsiaInfo shall sign the Technology Support and Service Agreement whereby the Company shall pay to AsiaInfo service fees in the sum of RMB2,598,000 (approximately HK\$2,498,000) (the “**Service Fees**”) by instalments for the technology support service provided by AsiaInfo. Provided that (i) the total amount of the outstanding service fees under the Transferred Agreements amounts to 90% of the total contracted sum under the Transferred Agreements; and (ii) the Company and AsiaInfo have reached consensus on the handling of the Transferred Agreements with no Novation Agreements signed, AsiaInfo shall pay to the Company the sum of RMB2,300,000 (approximately HK\$2,212,000).

The above payment schedule has been negotiated between the Company and AsiaInfo on normal commercial terms. The total maximum net proceeds of RMB8,250,000 (approximately HK\$7,933,000) will be applied as general working capital for the Company’s daily operation.

INFORMATION ABOUT TELECOMMUNICATIONS OPERATION SUPPORT BUSINESS

Telecommunications Operation Support Business are the assets, intellectual properties and the Transferred Agreements held by the telecommunications operation support business unit of the Company in relation to the development of BSS, OSS and infrastructure softwares and provision of related services for the purpose of enhancing the daily business and management operations of telecommunications service providers. The total asset value and net asset value of the Telecommunications Operation Support Business both amount to approximately RMB2,808,700 (approximately HK\$2,700,000), representing about 0.97% and 1.83% of those values of the Group as at 30 June 2005 respectively.

The profits before taxation attributable to the Telecommunications Operation Support Business for each of the two years ended 31 December 2004 were approximately RMB277,000 and RMB567,000 (approximately HK\$266,000 and HK\$545,000) respectively. The profits after taxation attributable to the Telecommunications Operation Support Business for each of the two years ended 31 December 2004 were approximately RMB249,000 and RMB510,000 (approximately HK\$239,000 and HK\$490,000) respectively.

The Company disposed of the Telecommunications Operation Support Business at a consideration of not exceeding RMB8,250,000 (approximately HK\$7,933,000) and incurred a gain of not exceeding approximately RMB5,441,000 (approximately HK\$5,232,000), depending on the amount of consideration received as described above.

INFORMATION ABOUT ASIAINFO

AsiaInfo was a company incorporated in the PRC on 2 May 1995 and is engaged in the provision of telecommunications software solutions and security products and other services in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, AsiaInfo and its ultimate beneficial owners are Independent Third Parties.

REASONS AND BENEFITS OF ENTERING INTO THE ASSETS TRANSFER AGREEMENT

The entering into the Assets Transfer Agreement would enhance the Group's liquidity. The Company has decided to use the proceeds arising from the disposal as general working capital of the Company.

The board of Directors believes that the terms of the Assets Transfer Agreement are negotiated on arm's length basis, fair and reasonable and in the interests of the shareholders of the Company as a whole. The total net proceeds of RMB8,250,000 (approximately HK\$7,933,000) will be applied as general working capital for the Company's daily operating expenses.

INFORMATION ABOUT THE GROUP

The Group's principal activities are the provision of telecommunication solutions, trading of hardware and computer software and investment holdings.

The audited turnover of the Group for the two years ended 31 December 2003 and 31 December 2004 were RMB164,551,000 and RMB185,639,000 respectively.

The audited net profit of the Group for the two years ended 31 December 2003 and 31 December 2004 were RMB12,240,000 and RMB10,296,000 respectively.

The audited net asset value of the Group as at 31 December 2003 and 31 December 2004 were RMB142,629,000 and RMB149,529,000 respectively.

DISCLOSEABLE TRANSACTION

According to the GEM Listing Rules, the disposal of the Telecommunications Operation Support Business held by the Company constitutes a discloseable transaction of the Company. A circular containing, inter alia, details of the Assets Transfer Agreement and the transactions contemplated thereunder will be dispatched to the shareholders of the Company according to the requirements of the GEM Listing Rules.

Due to an inadvertent oversight, disclosure of the discloseable transaction which would have been required by way of press announcement at the time the discloseable transaction was entered into was previously overlooked. This oversight constitutes a breach of Rule 19.34 of the GEM Listing Rules and the Stock Exchange has indicated that it reserves the right to take appropriate action against the Company and the Directors in this respect.

DEFINITIONS

“AsiaInfo”	AsiaInfo Technologies (China), Inc. (亞信科技(中國)有限公司), a company incorporated in the PRC on 2 May 1995 and a wholly-owned subsidiary of AsiaInfo Holdings, Inc. (a company incorporated in Delaware, the United States of America and whose shares are listed on The NASDAQ Stock Market) and an Independent Third Party;
“Assets Transfer Agreement”	the conditional assets transfer agreement dated 11 November 2005 between the Company (as vendor) and AsiaInfo (as purchaser) in respect of the disposal of the Telecommunications Operation Support Business;
“BSS”	business support systems;
“Company”	Zheda Landa Scitech Limited* (浙江浙大網新蘭德科技股份有限公司), the H Shares of which are listed and traded on the GEM (stock code : 8106);
“Consideration”	the consideration in the amount of not exceeding RMB8,250,000 (approximately HK\$7,933,000) in respect of the sale and purchase of Telecommunications Operation Support Business as contemplated under the Assets Transfer Agreement;
“Directors”	the directors of the Company, including the independent non-executive directors;
“GEM”	the Growth Enterprise Market operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of the 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);

“Novation Agreements”	the novation agreements to be entered into among AsiaInfo, the Company and its customers, whereby AsiaInfo shall assume and undertake to perform all rights, benefits, remedies, liabilities and obligations of the Company under the service agreements entered into between the Company and its customers;
“OSS”	operation support systems;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Technology Support and Service Agreement”	the one (1) year term technology support and service agreement that the Company and AsiaInfo have agreed to enter into within twenty-five (25) working days from the Transfer Date;
“Telecommunications Operation Support Business”	the assets, intellectual properties and the Transferred Agreements held by the telecommunications operation support business unit of the Company in relation to the development of BSS, OSS and infrastructure softwares and provision of related services for the purpose of enhancing the daily business and management operations of telecommunications service providers;
“Transfer Date”	11 November 2005;
“Transferred Agreements”	the operating agreements originally held by the Company to be transferred to AsiaInfo under the Assets Transfer Agreement, the details of which are set out in Appendix 1 to the Assets Transfer Agreement; and
“%”	percentage.

By Order of the Board
ZHEDA LANDE SCITECH LIMITED*
Chen Ping
Chairman

Hangzhou, the PRC, 9 December 2005

* *For identification purpose only*

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