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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 28 February 2006, Zhejiang Sichuang (a 90% non-wholly owned subsidiary of the Company) and Zhejiang Lianlian, an Independent Third Party, entered into the Agreement whereby Zhejiang Sichuang agreed to sell and Zhejiang Lianlian agreed to purchase from Zhejiang Sichuang 44% of the equity interest in Hangzhou Yintong (being the entire equity interest held by Zhejiang Sichuang in Hangzhou Yintong) at a consideration of RMB6,160,000 (approximately HK\$5,923,000).

According to the GEM Listing Rules, the Zhejiang Sichuang's disposal of 44% of the equity interest in Hangzhou Yintong constitutes a discloseable transaction of the Company. A circular containing, *inter alia*, details of the Agreement and the transactions contemplated thereunder will be despatched to the shareholders of the Company according to the requirements of the GEM Listing Rules.

## **THE AGREEMENT**

Date: 28 February 2006

Parties: Zhejiang Sichuang, a 90% non-wholly owned subsidiary of the Company, as vendor; and Zhejiang Lianlian, as purchaser

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

Terms : In accordance with the terms and conditions of the Agreement, Zhejiang Sichuang shall sell and Zhejiang Lianlian shall purchase from Zhejiang Sichuang 44% of the equity interest in Hangzhou Yintong.

The Agreement has been effective on 28 February 2006 and the transfer of shareholding shall be completed within seven (7) days upon execution of the Agreement (i.e. on or before 7 March 2006).

## INTEREST TO BE DISPOSED

In accordance with the terms and conditions of the Agreement, Zhejiang Sichuang has agreed to sell and Zhejiang Lianlian has agreed to purchase 44% equity interest in Hangzhou Yintong (being the entire equity interest held by Zhejiang Sichuang in Hangzhou Yintong). Upon completion of the Agreement, Zhejiang Sichuang will cease to hold any interest in Hangzhou Yintong while Zhejiang Lianlian will hold 44% of the equity interest in Hangzhou Yintong.

## CONSIDERATION

Zhejiang Sichuang and Zhejiang Lianlian have agreed that the Consideration shall be RMB6,160,000 (approximately HK\$5,923,000) which are determined on an arm's length and with reference to 44% of the net asset value of Hangzhou Yintong as at 31 December 2005 (approximately RMB1,427,000) (approximately HK\$1,372,120), representing a premium of approximately 432%.

The Group disposed of its equity interest in Hangzhou Yintong at a consideration of RMB6,160,000 (approximately HK\$5,923,000) and incurred a gain of approximately RMB1,873,000 (approximately HK\$1,801,000), representing the excess of consideration over the estimated carrying value of the equity interest held by the Group as at 31 December 2005.

The Consideration shall be paid in the following manners:

- (A) Within five (5) working days upon the execution of the Agreement (i.e. before 7 March 2006), Zhejiang Lianlian shall pay to Zhejiang Sichuang the sum of RMB3,080,000 (approximately HK\$2,961,540) (the “**First Payment**”); and
- (B) Within three (3) months after the date and the Agreement, i.e., before 31 May 2006, Zhejiang Lianlian shall pay to Zhejiang Sichuang the sum of RMB3,080,000 (approximately HK\$2,961,540) (the “**Second Payment**”).

The above payment schedule has been negotiated between Zhejiang Sichuang and Zhejiang Lianlian on normal commercial terms. The net proceeds of RMB6,160,000 (approximately HK\$5,923,000), will be applied as general working capital for Group's daily operating expenses.

## INFORMATION ABOUT HANGZHOU YINTONG

Hangzhou Yintong is a company incorporated in the PRC on 7 August 2003 and is engaged in technology development and provision of technology services involving value-added telecommunication service systems, information systems, retail and wholesale of computers and telecommunication equipment and other legitimate services without approval required in the PRC.

As at the date of the Agreement, 44% equity interest in Hangzhou Yintong was held by Zhejiang Sichuang while the remaining 56% equity interest was held by five natural persons, all being Independent Third Parties. Hangzhou Yintong was classified as an associated company in the Group's consolidated financial statements.

The audited net asset value of Hangzhou Yintong as at 31 December 2004 was approximately RMB2,969,500 (approximately HK\$2,855,300).

The carrying value of the equity interest in Hangzhou Yintong held by the Group as at 30 June 2005 amounted to approximately RMB4,179,300 (approximately HK\$4,018,600), representing about 1.44% and 2.72% of the total assets and net assets of the Group as at that date, respectively.

The share of loss (both before and after taxation) of Hangzhou Yintong attributable to the Group for the year ended 31 December 2004 was approximately RMB233,400 (approximately HK\$224,400).

## **INFORMATION ABOUT ZHEJIANG LIANLIAN**

Zhejiang Lianlian is a company incorporated in the PRC on 13 August 2004 and is engaged in provision of value-added telecommunications agency services, research, development and provision of services in relation to communication technology, information technology and billing management system technology and investment in and development of high technology enterprises.

## **REASONS AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The Directors intend to streamline the Group's corporate structure and apply the Group's financial resources on its principal businesses, that is, the provision of telecommunication solutions, trading of hardware and computer software and investment holdings. The entering into the Agreement would enhance the Group's liquidity. The Group has decided to use the proceeds arising from the disposal as, among other purposes, its general working capital.

The Board believes that the terms of the 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 net proceeds of RMB6,160,000 (approximately HK\$5,923,000) will be applied as general working capital for the Group'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 44% of the equity interest held by Zhejiang Sichuang in Hangzhou Yintong constitutes a discloseable transaction of the Company. A circular containing, *inter alia*, details of the Agreement and the transactions contemplated thereunder will be dispatched to the shareholders of the Company according to the requirements of the GEM Listing Rules.

## DEFINITIONS

“Agreement”	the Equity Interests Transfer Agreement dated 28 February 2006 between Zhejiang Sichuang (as vendor) and Zhejiang Lianlian (as purchaser) in respect of the disposal of 44% of the equity interest in Hangzhou Yintong;
“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 RMB6,160,000 (approximately HK\$5,923,000) in respect of the sale and purchase of 44% of the equity interest in Hangzhou Yintong as contemplated under the 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;
“Hangzhou Yintong”	Hangzhou Yintong Digital Communication Technology Company Limited* (杭州銀通數碼信息技術有限公司), a company incorporated in the PRC on 7 August 2003, and as at the date of the Agreement, 44% equity interest in which was held by Zhejiang Sichuang while the remaining 56% equity interest was held by five natural persons, all being Independent Third Parties;
“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);
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Zhejiang Lianlian”	Zhejiang Lianlian Technology Co., Ltd.* (浙江連連科技有限公司), a company incorporated in the PRC on 13 August 2004 and an Independent Third Party.
“Zhejiang Sichuang”	Zhejiang Sichuang Information Technology Co., Ltd* (浙江思創信息技術有限公司), a company incorporated in the PRC on 30 September 2002, and 90% equity interest in which is held by the Company; and
“%”	percentage.

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

Hangzhou, the PRC, 2 March 2006

\* 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. 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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