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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 with limited liability)

**LISTING ON
THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING OF H SHARES**

Number of Placing Shares	: 97,500,000 H Shares (subject to Over-allotment Option)
Placing Price	: not more than HK\$0.95 per H Share
Nominal Value	: RMB0.10 each
Stock Code	: 8106

Global Coordinator and Sponsor



Core Pacific-Yamaichi Capital Limited

Lead Manager

Core Pacific-Yamaichi International (HK) Limited

Co-Managers

First Shanghai Securities Limited	CAF Securities Company Limited
CM-CCS Securities Limited	MasterLink Securities (H.K.) Corp. Ltd.
Shun Loong Securities Co., Ltd.	Kingsway SW Securities Ltd.
Tai Fook Securities Company Limited	YF Securities Company Limited

SUMMARY

- The Placing Price has been fixed at HK\$0.83 per H Share.
- A total of 97,500,000 H Shares initially available for subscription under the Placing (without taking into account the over-allotment shares of 14,625,000 H Shares) have been 9 times subscribed and conditionally placed by the Underwriters to professional, institutional and individual investors in Hong Kong. The Over-allotment Option referred to in the Prospectus was exercised in full by Core Pacific-Yamaichi International (H.K.) Limited on Friday, 26 April 2002 to request Zheda Lande Scitech Limited (the “Company”) to allot and issue an aggregate of 14,625,000 additional H Shares to cover the over-allocations under the Placing. As such, a total of 112,125,000 H Shares have been conditionally placed to professional, institutional and individual investors in Hong Kong.
- Immediately after completion of the Placing (including 14,625,000 H Shares allotted and issued by the Company to cover the over-allocations under the Placing), approximately 33.02% of the registered share capital of the Company will be held in the hands of the public.
- **There is a high concentration of the H Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the H Shares. Shareholders and potential investors are advised to exercise extreme caution in dealing with the H Shares.**
- Dealings in the H Shares on GEM are expected to commence at 9:30 a.m. on Friday, 3 May 2002.

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus (the “Prospectus”) dated 24 April 2002 issued by the Company.

LEVEL OF INTEREST

A total of 97,500,000 H Shares initially available for subscription under the Placing (without taking into account the over-allotment shares of 14,625,000 H Shares) have been 9 times subscribed and conditionally placed by the Underwriters to professional, institutional and individual investors in Hong Kong. The Over-allotment Option referred to in the Prospectus was exercised in full by Core Pacific-Yamaichi International (H.K.) Limited on

Friday, 26 April 2002 to request the Company to allot and issue an aggregate of 14,625,000 additional H Shares to cover the over-allocations under the Placing. As such, a total of 112,125,000 H Shares have been conditionally placed to professional, institutional and individual investors in Hong Kong. All the placees are independent of and not connected with any of the promoters, directors, supervisors, chief executives, substantial shareholders or management shareholders of the Company or any of their respective associates.

The shareholding structure of the Company immediately before and after the issuance of the over-allotment shares is as follows:

Shareholders	Immediately before the issuance of the over-allotment shares		Immediately after the issuance of the over-allotment shares	
	Number of Shares	% of issued share capital (%)	Number of Shares	% of issued share capital (%)
Domestic Shares				
Chen Ping	36,392,320	11.20	36,392,320	10.72
Zhejiang Qware	34,117,800	10.50	34,117,800	10.05
Beijing Guoheng	34,117,800	10.50	34,117,800	10.05
Zhejiang Innovation	34,117,800	10.50	34,117,800	10.05
Wu Zhong Huo	16,490,280	5.07	16,490,280	4.86
Shi Chun Hua	16,490,280	5.07	16,490,280	4.86
Chen Guo Cai	10,235,340	3.15	10,235,340	3.01
Liu Qiao Ping	10,235,340	3.15	10,235,340	3.01
Bao Shi Xin	8,643,170	2.66	8,643,170	2.55
Wang Jin Cheng	7,505,910	2.31	7,505,910	2.21
Wang Lei Bo	7,505,910	2.31	7,505,910	2.21
Chen Chun	4,094,130	1.26	4,094,130	1.20
Huo Zhong Hui	4,094,130	1.26	4,094,130	1.20
Jin Lian Fu	<u>3,411,790</u>	<u>1.06</u>	<u>3,411,790</u>	<u>1.00</u>
Sub-total	227,452,000	70.00	227,452,000	66.98
H Shares Public	<u>97,500,000</u>	<u>30.00</u>	<u>112,125,000</u>	<u>33.02</u>
Total	<u>324,952,000</u>	<u>100.00</u>	<u>339,577,000</u>	<u>100.00</u>

RESULTS OF PLACING

Pursuant to the Placing, an aggregate of 112,125,000 H Shares have been conditionally placed to a total of 389 placees. The following table sets out the concentration of the Placing Shares:

	Aggregate number of the Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after completion of the Placing
Top	15,000,000	13.38%	4.42%
Top 5 placees	68,150,000	60.78%	20.07%
Top 10 placees	79,650,000	71.04%	23.46%
Top 25 placees	92,925,000	82.88%	27.36%

The placing of the 112,125,000 H Shares to a total of 389 placees can be analysed as follows:

Number of H Shares	Number of placees
5,000 - 100,000	316
105,000 - 200,000	26
205,000 - 400,000	18
405,000 - 800,000	9
805,000 - 1,200,000	10
1,205,000 - 1,600,000	2
1,605,000 - 2,000,000	1
2,005,000 - 4,000,000	2
4,005,000 - 8,000,000	0
8,005,000 - 10,000,000	0
10,005,000 or above	<u>5</u>
Total	<u><u>389</u></u>

There is a high concentration of the H Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the H Shares. Shareholders and potential investors are advised to exercise extreme caution in dealing with the H Shares.

Guangdong Securities Limited, a placing agent, has been allocated 250,000 Placing Shares, representing approximately 0.22% of the Placing Shares, to be held on its own behalf. Guangdong Securities Limited is independent of and not connected with any of the promoters, directors, supervisors, chief executive, substantial shareholders or management shareholders of the Company or any of their associates (as defined under the GEM Listing Rules) and is not an underwriter or a sub-underwriter of the Placing.

Shun Loong Holdings Ltd., the holding company of Shun Loong Securities Co., Ltd., an underwriter of the Placing, has been allocated 85,000 Placing Shares, representing approximately 0.08% of the Placing Shares, to be held on its own behalf. Shun Loong Holdings Ltd. is independent of and not connected with any of the promoters, directors, supervisors, chief executive, substantial shareholders or management shareholders of the Company or any of their associates (as defined under the GEM Listing Rules).

Save for the above, no H Share has been placed to any party or group of persons specified under Rule 10.12(4) of the GEM Listing Rules.

PLACING PRICE

The Company, Core Pacific - Yamaichi International (H.K.) Limited (on behalf of the Underwriters) have entered into the Price Determination Agreement on 25 April 2002 pursuant to which the Placing Price was fixed at HK\$0.83 per H Share, of the indicative range of not more than HK\$0.95 and not less than HK\$0.77 per H Share of the Placing Price.

USE OF PROCEEDS

Based on the Placing Price of HK\$0.83, the net proceeds from the Placing, after deducting the placing commission and estimated expenses payable by the Company in relation to the Placing, are estimated to amount to approximately HK\$80 million. The Directors currently intend to apply such net proceeds as follows:

- approximately HK\$30 million will be used for product enhancement and development, of which approximately HK\$15 million will be used as operating expenditure of R&D department, such as salary for R&D staff, travelling, accommodation and training to cope with the increase in forecast business volume, approximately HK\$5 million will be used

for purchasing computer hardware, software and testing equipment, approximately HK\$5 million will be used for recruiting high caliber R&D staff with technical expertise and approximately HK\$5 million will be used for funding the Research Center;

- approximately HK\$18 million will be used as sales and marketing expenses, of which approximately HK\$10 million will be used in conducting market research, attending exhibitions and launching product promotion campaigns, approximately HK\$5 million will be used in multimedia advertising and approximately HK\$3 million will be used in training programs for sales staff;
- approximately HK\$27 million will be used for strategic investments and business collaborations, of which approximately HK\$15 million will be used to establish strategic alliances with wireless communication system providers to develop more sophisticated wireless value-added systems and approximately HK\$12 million will be used to form business collaborations to conduct joint promotional activities and to strengthen the Group's brand through the establishment of branch offices, sales points and an after-sale service center; and
- the balance of approximately HK\$5 million will be used as additional working capital.

To the extent that the net proceeds from the Placing are not immediately applied for the above purposes, it is the present intention of the Directors that such net proceeds will be placed in short-term deposits.

In the event that any part of the business plans of the Group does not materialise or proceed as planned, the Directors will evaluate the situation and may reallocate the intended founding to other business plans and/or to new project of the Group and/or to hold such funding as short-term deposits so long as the Directors consider it to be in the best interests of the Group and its shareholders taken as a whole. The Group will make an appropriate announcement if this occurs.

MINIMUM PUBLIC FLOAT REQUIREMENT

Immediately after completion of the Placing (including 14,625,000 H Shares allotted and issued by the Company to cover the over-allocations under the Placing), approximately 33.02% of the registered share capital of the Company will be held in the hands of the public.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on GEM as well as the compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shares certificates for the H Shares to be distributed through CCASS are expected to be deposited into CCASS on Tuesday, 30 April 2002 for credit to the stock accounts of the respective designated, CCASS participants of the places.

COMMENCEMENT OF DEALINGS

Dealings in the H Shares on GEM are expected to commence at 9:30 a.m. on Friday, 3 May 2002.

By order of the Board
Zheda Lande Scitech Limited
Chen Ping
Chairman

Hong Kong, 29 April 2002

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and is not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and all opinions expressed in this announcement have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.

* *For identification purposes only*