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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

HIGHLIGHTS

- Achieved a turnover of approximately RMB48,130,000 for the year ended 31 December 2014, representing an approximately 21.63% decrease as compared with the turnover for the year 2013.
- Incurred a net loss attributable to owners of the Company of approximately RMB11,237,000 for the year ended 31 December 2014, comparing to a net loss attributable to owners of the Company of approximately RMB 758,000 incurred for the year 2013.
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2014.

CONSOLIDATED FINANCIAL INFORMATION

The board (the "**Board**") of directors (the "**Director(s)**") of Zheda Lande Scitech Limited* (the "**Company**") is pleased to present the consolidated financial information of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2014, together with the comparative figures for the year ended 31 December 2013 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2014

	NOTES	**2014** **RMB'000**	2013 *RMB'000*
Turnover	*3*	**48,130**	61,410
Cost of sales		**(29,914)**	(30,155)
Gross profit		**18,216**	31,255
Other operating income		**2,156**	1,266
Distribution and selling expenses		**(12,352)**	(10,334)
General and administrative expenses		**(19,855)**	(22,904)
Loss before tax		**(11,835)**	(717)
Income tax	*4*	**–**	(305)
Loss and total comprehensive expense for the year	*5*	**(11,835)**	(1,022)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		**(11,237)**	(758)
Non-controlling interests		**(598)**	(264)
		(11,835)	(1,022)
		RMB	*RMB*
Loss per share			
Basic and diluted	*7*	**(3.15) cents**	(0.21) cents

Consolidated Statement of Financial Position
As at 31 December 2014

	NOTES	**2014**	2013
		RMB'000	*RMB'000*
			(restated)
Non-current assets			
Plant and equipment		**1,945**	4,319
Intangible assets		**–**	–
Goodwill		**–**	956
		1,945	5,275
Current assets			
Inventories		**2,286**	1,572
Trade receivables	*8*	**6,724**	9,170
Prepayments and other receivables		**52,413**	76,031
Restricted bank balance		**1,378**	1,378
Bank balances and cash		**27,869**	16,082
		90,670	104,233
Current liabilities			
Trade and other payables	*9*	**14,107**	18,907
Receipt in advance from customers		**466**	502
Income tax payables		**1,615**	1,837
		16,188	21,246
Net current assets		**74,482**	82,987
Net assets		**76,427**	88,262
Capital and reserves			
Paid-in capital		**35,655**	35,655
Reserves		**36,367**	47,604
Equity attributable to owners of the Company		**72,022**	83,259
Non-controlling interests		**4,405**	5,003
Total equity		**76,427**	88,262

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to owners of the Company						
	Paid-in capital	**Share premium**	**Statutory surplus reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2013	35,655	76,570	10,567	(38,775)	84,017	5,267	89,284
Loss and total comprehensive expense for the year	–	–	–	(758)	(758)	(264)	(1,022)
At 31 December 2013 and at 1 January 2014	35,655	76,570	10,567	(39,533)	83,259	5,003	88,262
Loss and total comprehensive expense for the year	–	–	–	(11,237)	(11,237)	(598)	(11,835)
At 31 December 2014	35,655	76,570	10,567	(50,770)	72,022	4,405	76,427

Notes:

1. BASIS OF PRESENTATION

The Company was established in the People's Republic of China (the "**PRC**") as a joint stock company with limited liability and its shares are listed on GEM of the Stock Exchange.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

2. APPLICATION OF NEW AND REVISED IFRSs

In the current year, the Group has applied the following new and revised IFRSs, which includes IFRS, International Accounting Standards ("**IAS(s)**"), amendments and new interpretations ("**Int(s)**") issued by the IASB and the IFRS Interpretations Committee ("**IFRIC**") of the IASB.

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC-Int 21	Levies

Except as described below, the application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised IFRSs issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 (2014)	Financial Instruments[4]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[2]
Amendments to IAS 1	Disclosure Initiative[2]
Amendments to IAS 19	Defined Benefit Plans – Employee Contributions[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation[2]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[2]
Amendments to IAS 27	Equity Method in Separate Financial Statements[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]

1 Effective for annual periods beginning on or after 1 July 2014.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after 1 January 2018.

The Directors anticipate that, except as described below, the application of other new and revised IFRSs will have no material impact on the results and the financial position of the Group.

IFRS 9 (2014) *Financial Instruments*

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, IFRS 9 was future amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of IFRS 9 was issued in 2014 to incorporate all the requirements of IFSR 9 that were issued in previous years with limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of IFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of IFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment of financial assets, the impairment requirements relating to the accounting for an entity's expected credit loss on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in IAS 39 for the recognition of credit losses. Under the impairment approach in IFRS 9 (2014), it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit loss and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- IFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, IFRS 9 looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under IAS 39, it is necessary to exhibit eligibility and compliance with the requirements in IAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for IAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

IFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The Directors anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

IFRS 15 *Revenue from Contracts with Customers*

The core principle of IFRS 15 is that a company should recognise revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, IFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with customer;

ii) Identify separate performance obligations in a contract;

iii) Determine the transaction price;

iv) Allocate transaction price to performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable user of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

IFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The Directors anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Annual Improvements to IFRSs 2010-2012 Cycle

The *Annual Improvements to IFRSs 2010-2012 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors anticipates that the application of the amendments included in the *Annual Improvements to IFRSs 2010-2012 Cycle* will not have a material effect on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The *Annual Improvements to IFRSs 2011-2013 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and

(b) the transaction meets the definition of a business combination under IFRS 3.

The Directors do not anticipate that the application of the amendments included in the *Annual Improvements to IFRSs 2011-2013 Cycle* will have a material effect on the Group's consolidated financial statements.

Annual Improvement to IFRSs 2012-2014 Cycle

The *Annual Improvements to IFRSs 2012-2014 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to IFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to IFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to IAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

IAS 34 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report'. The amendments to IAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Director do not anticipate that the application of the amendments included in the *Annual Improvements to IFRSs 2012-2014 Cycle* will have a material effect on the Group's consolidated financial statements.

Amendments to IAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a IFRS if the information resulting from that disclosure is not material. This is the case even if the IFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The Directors anticipate that the application of *Amendments to IAS 1 Disclosure Initiative* in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under IAS 16. The amendments to IAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue;

ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to IAS 16 and IAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

As the Group use straight-line method for depreciation of property, plant and equipment, the Directors do not anticipate that the application of the amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Hong Kong Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

Turnover comprises income from provision of telecommunication solutions, trading of hardware and computer software and provision of telecommunication value-added services, net of business tax and discounts during the year.

The Group's operating segments, based on information reported to the chief operating decision maker, being the executive Directors of the Company, for the purpose of resource allocation and performance assessment are as follows:

1. Provision of telecommunication solutions
2. Trading of hardware and computer software
3. Provision of telecommunication value-added services

No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segment of the Group. The following is an analysis of the Group's revenue and results by reportable segment.

(a) Segment revenues and results

For the year ended 31 December

	Provision of telecommunication solutions		**Trading of hardware and computer software**		**Provision of telecommunication value-added services**		**Consolidated**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment turnover	**144**	100	**28,594**	33,221	**19,392**	28,089	**48,130**	61,410
Segment results	**(1,518)**	19	**195**	1,837	**(4,744)**	6,071	**(6,067)**	7,927
Unallocated revenue							**1,455**	236
Unallocated expenses							**(7,223)**	(8,880)
Loss before tax							**(11,835)**	(717)

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment profit/loss represents the profit or loss from each segment without allocation of central administration costs, write back of/impairment loss on prepayments and other receivables, impairment loss on certain plant and equipment, Directors' salaries, bank interest income and sundry income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

As at 31 December

	Provision of telecommunication solutions		Trading of hardware and computer software		Provision of telecommunication value-added services		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment assets	**94**	63	**6,385**	8,700	**4,021**	9,936	**10,500**	18,699
Unallocated assets							**82,115**	90,809
Total assets							**92,615**	109,508
Segment liabilities	**–**	–	**2,405**	3,893	**284**	265	**2,689**	4,158
Unallocated liabilities							**13,499**	17,088
Total liabilities							**16,188**	21,246

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than certain plant and equipment, bank balances and cash, restricted bank balance, balances with related parties and certain prepayments and other receivables which are unable to allocate into reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

- all liabilities are allocated to reportable segments other than certain other payables, income tax payables and balances with related parties. Liabilities for which reportable segments are jointly liable are allocated on the basis of the revenues earned by individual reportable segments.

(c) Other segment information:

For the year ended 31 December

	Provision of telecommunication solutions		Trading of hardware and computer software		Provision of telecommunication value-added services		Unallocated		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:										
Addition to plant and equipment	**5**	–	**1**	2	**106**	470	**417**	–	**529**	472
Cost of inventories recognised as an expense	**–**	–	**26,657**	23,195	**–**	–	**–**	–	**26,657**	23,195
Depreciation	**284**	20	**105**	540	**562**	824	**285**	–	**1,236**	1,384
Write back of impairment loss on trade receivables	**–**	–	**(1)**	(507)	**–**	(105)	**–**	–	**(1)**	(612)
Impairment loss on trade receivables	**–**	–	**35**	657	**29**	8	**–**	–	**64**	665
Impairment loss on goodwill	**–**	–	**–**	–	**956**	–	**–**	–	**956**	–
Loss on disposal of plant and equipment	**–**	–	**1**	–	**–**	12	**47**	–	**48**	12
Impairment loss on plant and equipment	**813**	–	**175**	–	**208**	–	**145**	–	**1,341**	–
Government grants	**–**	–	**(120)**	–	**(580)**	(418)	**–**	–	**(700)**	(418)
Operating lease rental for office premises	**384**	21	**360**	392	**1,420**	1,728	**–**	–	**2,164**	2,141
Amortisation of intangible assets	**–**	38	**–**	–	**–**	–	**–**	–	**–**	38
Interest income	**–**	–	**–**	–	**–**	–	**(143)**	(33)	**(143)**	(33)

For the year ended 31 December

	Provision of telecommunication solutions		Trading of hardware and computer software		Provision of telecommunication value-added services		Unallocated		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:										
Income tax expense	**–**	–	**–**	–	**–**	–	**–**	305	**–**	305
Impairment loss on prepayments and other receivables	**–**	–	**–**	–	**–**	–	**285**	1,125	**285**	1,125
Research and development cost recognised as expenses	**–**	–	**–**	–	**–**	–	**13**	1,417	**13**	1,417
Write back of impairment loss on prepayments and other receivables	**–**	–	**–**	–	**–**	–	**(1,210)**	(184)	**(1,210)**	(184)

Note:

Non-current assets excluded goodwill.

(d) Geographical information

Both revenue and non-current assets of the Group's operating segments are derived from or located in the PRC. Accordingly, no geographical information is presented.

(e) Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2014	2013
	RMB'000	*RMB'000*
Customer A[1]	**5,466**	11,155
Customer B[1]	**4,978**	N/A

[1] Revenue from provision of telecommunication value-added services

4. INCOME TAX

	2014	2013
	RMB'000	*RMB'000*
The tax charge comprises:		
PRC Enterprise Income Tax ("**EIT**")		
– current year	**–**	430
– over-provision in prior years	**–**	(125)
	–	305

Under the Law of the PRC on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC enterprises is 25% for the year ended 31 December 2014 and 2013.

No provision for EIT has been made for the Company for the years ended 31 December 2014 and 2013 as there was no assessable profit derived by the Company for both years. Certain subsidiaries were subject to EIT at a rate of 15% (2013: 15%) as they were classified as Advanced and New Technology Enterprise.

No provision for Hong Kong Profits Tax has been made for the subsidiary established in Hong Kong as the subsidiary did not have any assessable profits subject to Hong Kong Profits Tax during the years ended 31 December 2014 and 2013.

5 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2014 *RMB'000*	2013 *RMB'000*
Salaries and other benefits (including Directors', chief executive's and supervisors' emoluments)	**7,931**	8,087
Contributions to retirement benefits scheme	**689**	817
Total staff costs	**8,620**	8,904
Amortisation of intangible assets (included in general and administrative expenses)	**–**	38
Auditors' remuneration	**612**	569
Depreciation of plant and equipment	**1,236**	1,384
Impairment loss on plant and equipment	**1,341**	–
Impairment loss on trade receivables	**64**	665
Impairment loss on prepayments and other receivables	**285**	1,125
Impairment loss on goodwill	**956**	–
Loss on disposal of plant and equipment (included in general and administrative expenses)	**48**	12
Operating lease rental for office premises	**2,164**	2,141
Research and development costs recognised as expenses	**13**	1,417
Bank interest income	**(143)**	(33)
Government grants *(Note)*	**(700)**	(418)
Write back of impairment loss on trade receivables (included in other operating income)	**(1)**	(612)
Write back of impairment loss on prepayments and other receivables (included in other operating income)	**(1,210)**	(184)
Cost of inventories recognised as an expense	**26,657**	23,195

Note:

Government grants represented the amount received in the current year towards certain research and development activities. There are no unfulfilled conditions or contingencies relating to those grants.

6. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2014, nor has any dividend been proposed since the end of the reporting period (2013: nil).

7. LOSS PER SHARE

The calculations of the basic loss per share are based on loss for the year attributable to owners of the Company of approximately RMB11,237,000 (2013: RMB758,000) and on the weighted average number of 356,546,000 (2013: 356,546,000) shares in issue during the year ended 31 December 2014.

Diluted loss per share was the same as basic loss per share for the years ended 31 December 2014 and 2013 as there were no diluting events existed during both years.

8. TRADE RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**11,656**	14,919
Less: Impairment losses	**(4,932)**	(5,749)
	6,724	9,170

There were no specific credit period granted to customers except for an average credit period of 60-90 days to trade customers under trading of hardware and computer software segment. Ageing analysis of the trade receivables net of impairment losses as at the end of reporting period, presented based on the invoice date which approximate to revenue recognition date is as follows:

	2014	2013
	RMB'000	*RMB'000*
0 to 60 days	**5,517**	8,331
61 to 90 days	**465**	467
91 to 180 days	**724**	343
Over 180 days	**18**	29
	6,724	9,170

The Group does not hold any collateral over these trade receivables balances. Based on past experience, management considers the unimpaired balances are fully recoverable as relevant customers have a good track record and are of a good credit standing.

The ageing analysis of trade receivables which are past due but not impaired based on the due date:

	2014	2013
	RMB'000	*RMB'000*
Less than 3 months	**465**	467
More than 3 months but less than 1 year	**724**	343
More than 1 year but less than 2 years	**18**	29
	1,207	839

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB1,207,000 (2013: RMB839,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Movements in the impairment losses of trade receivables are as follows:

	2014	2013
	RMB'000	*RMB'000*
Balance at beginning of the year	**5,749**	5,696
Impairment losses recognised during the year	**64**	665
Amounts written off as uncollectible	**(880)**	–
Amounts recovered during the year	**(1)**	(612)
Balance at end of the year	**4,932**	5,749

Before accepting any new customer, the Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limits by customer. Included in the impairment losses are individually impaired trade receivables with an aggregate balance of approximately RMB4,932,000 (2013: RMB5,749,000) which were long outstanding.

9. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**1,684**	2,115
Other payables and accruals	**12,423**	16,792
	14,107	18,907

Ageing analysis of the trade payables presented based on the invoice date is as follows:

	2014	2013
	RMB'000	*RMB'000*
Less than one year	**1,386**	1,907
Over one year but less than two years	**90**	55
Over two years but less than three years	**55**	31
More than three years	**153**	122
	1,684	2,115

There was no specific credit period for payment granted by suppliers. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

1. Review of operating results for the year

For the year ended 31 December 2014, the consolidated turnover of the Group was approximately RMB48,130,000, representing a decrease of approximately RMB13,280,000, or approximately 21.63% as compared with that of 2013.

The net loss attributable to owners of the Company for the year ended 31 December 2014 was approximately RMB11,237,000, comparing to a net loss attributable to owners of the Company for the year ended 31 December 2013 of approximately RMB758,000.

The Board considers that the substantial increase in net loss attributable to owners of the Company for the year ended 31 December 2014 was mainly attributable to a decrease in turnover of the major business segments of the Group due to intensified competition of the market. During the year, there were decreases in the Group's turnover from the trading of hardware and computer software and provision of telecommunication value – added services. The profitability of the Group is inadequate.

2. Product and business development

During the period, the Group continued to maintain cooperation with the operators. The Group's existing businesses include 114 Bai Shi Tong Alliance, SMS business cards and precise marketing and other businesses which continue to be in operation in various places. The current decrease in business income is due to intense market competition and insufficient subsequent investment of the Group. The Group now plans to streamline its product lines, aiming to launch strong promotion and devote more efforts in R & D of the major products in order to raise income, and use the resources more reasonably and effectively. Besides, the Group is also actively make deployment in the Internet business, so as to have better planning in the technical, human resources and resources aspects.

3. Investment and cooperation

During the period, the Group continued to strengthen the good cooperation relationship maintained with all operators and technical institutions and secured its business association with telecommunication operators in various locations. As at 31 December 2014, the Group had no specific investment plan already under implementation.

The Company and Shanghai Aifusheng Information Technology Co., Ltd.* (上海艾孚生信息科技有限公司) ("**Shanghai Aifusheng**") entered into an equity transfer agreement (the "**EquityTransfer Agreement**") on 14 November 2013 pursuant to which the Company agreed to acquire from Shanghai Aifusheng 75% of the registered capital in Hangzhou Saijing Technology Co., Ltd.* (杭州賽景科技有限公司) and all rights and obligations attached thereto (the "**Proposed Acquisition**"). Completion of the Equity Transfer Agreement is conditional upon the fulfillment or waiver (where applicable) of the conditions precedent contained in the Equity Transfer Agreement. Up to 1

August 2014, certain conditions precedent had not been fulfilled and it was uncertain as to when such conditions precedent could be fulfilled. After careful consideration of all the circumstances surrounding the Proposed Acquisition, the Board decided not to proceed with the Proposed Acquisition. As such, on 1 August 2014, the Company and Shanghai Aifusheng entered into a termination agreement to terminate the Equity Transfer Agreement with immediate effect. Upon such termination, neither party should have any further obligations or liabilities towards the other nor any claims against the other in connection with the Equity Transfer Agreement.

The Board considers that the termination of the Equity Transfer Agreement is in the interest of the Company and its shareholders as a whole and has no material adverse impact on the existing business or financial position of the Group. Details of the termination of the Equity Transfer Agreement are set out in the Company's announcement dated 1 August 2014.

4. Employees information

As at 31 December 2014, the total number of employees of the Group was approximately 194 (2013: 223). During the year, the staff costs of the Group amounted to approximately RMB8,620,000 (2013: RMB8,904,000).

The Group formulated its human resources management strategies under the guidance of the Group's development strategy, aiming at targets established under its long-term planning. As an important part of the Group's development strategy, the human resources management strategy played an important supporting and propelling role in realising the overall development strategy of the Group. The Group built its human resources management structure from an overall strategic perspective, having the incentive mechanism combined with other links of human resources management and promoting one another. The Group opened up as many entrances as possible and established multiple recruitment channels to set up a talent-attracting mechanism. It also emphasised better use of human resources, and cultivating an agreeable mechanism for application and cultivation of talent.

The Group had set up an annual target salary system featuring performance assessment combined with remuneration management. The annual target salary was determined and paid out in accordance with the assessment results, whereby a comprehensive assessment was made on an employee after reasonable evaluation on his/her performance, capability and attitude. With these two things closely linked to each other, the Group had been able to effectively encourage its staff and guarantee the accomplishment of the Group's targets.

The Group attached great concern on the personal development of its staff and provided them with many types of training to improve themselves in terms of quality and skills. Through assessment on the job responsibilities of its staff and hiring of professional consultancy companies to design staff training system, the Group tailored training courses for each individual, so as to make them better fit in their posts and help them grow in every aspect of their professional career. Only when the employees receive satisfactory improvement, can the Group has a bright future.

The Group currently has not issued any options nor does it have any bonus scheme.

REVIEW OF FINANCIAL POSITION

- The Group maintained creditable financial conditions. For the year ended 31 December 2014, the Group was mainly financed by proceeds generated from daily operations.

- As at 31 December 2014, the Group's total bank balances and cash amounted to approximately RMB29,247,000 (2013: RMB17,460,000).

- As at 31 December 2014, the Group had no borrowings (2013: nil).

- As at 31 December 2014, the Group had a total asset value of approximately RMB92,615,000 (2013: RMB109,508,000).

- As at 31 December 2014, the Group had current liabilities of approximately RMB16,188,000 (2013: RMB 21,246,000).

- As at 31 December 2014, the Group had owner's equity of approximately RMB72,022,000 (2013: RMB83,259,000).

- As at 31 December 2014, the Group had non-controlling interests of approximately RMB4,405,000 (2013: RMB 5,003,000).

- As at 31 December 2014, the Group had a gearing ratio (i.e. the ratio of total liabilities to total assets) of approximately 17.48% (2013: 19.40%).

- As at 31 December 2014, the Group had a net current ratio (i.e. the ratio of current liabilities to current assets) of approximately 17.85% (2013: 20.38%).

- As all of the Group's account payables of purchases and account receivables of sales are in Renminbi, there is no foreign exchange risk.

- As at 31 December 2014, none of the Group's assets were pledged (2013: nil).

CONTINGENT LIABILITY

Hangzhou Huaguang Computer Engineering Co., Ltd.* (杭州華光計算機工程有限公司) ("**Hangzhou Huaguang**"), a wholly-owned subsidiary of the Company, was involved in an arbitration application (the "**Arbitration Application**") filed by Ningbo Zhongke Guotai Information Technology Co., Ltd.* (寧波中科國泰信息技術有限公司) ("**Ningbo Zhongke**") in relation to the dispute arising from the sales and purchase contract entered into between Hangzhou Huaguang and Ningbo Zhongke. According to the Arbitration Application, Ningbo Zhongke required, among others, that Hangzhou Huaguang to refund the equipment payment and interests amounted to approximately RMB5,899,000 and settle the arbitration fees. As at 31 December 2014, bank balance of approximately RMB1,378,000 was frozen by Hangzhou Arbitration Commission in relation to the Arbitration Application. Details of the Arbitration Application are set out in the announcement of the Company dated 29 November 2013. Up to the date of this announcement, the arbitration is still in progress.

CAPITAL STRUCTURE

There was no change in the Company's capital structure during the year ended 31 December 2014 (2013: nil).

On 22 January 2014, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent agreed to place, during the placing period, on a best effort basis, the placing shares comprising up to 150,000,000 new H shares at the placing price, on behalf of the Company to the placees who will be independent third parties (the "**Placing**"). The Placing has been approved by the shareholders of the Company in their extraordinary general meeting and class meetings held on 25 April 2014 and subsequently the China Securities Regulatory Commission (中國證券監督管理委員會). The Company and the placing agent are still in the process of identifying potential investors for the Placing. In order to allow sufficient time for the Company and the placing agent to locate potential placees and complete the Placing before the expiration of placing period, i.e. 1 September 2015, the Company and the placing agent entered into the supplemental agreement on 20 January 2015 to extend the long stop date under the original placing agreement to 31 March 2015. Details of the proposed new H shares placing are set out in the announcement and the circular of the Company dated 22 January 2014 and 6 March 2014, respectively; and details of the supplemental agreement are set out in the announcement of the Company dated 20 January 2015. Relevant actions are in progress and the Placing has not been completed up to the date of this announcement.

EVENT AFTER THE REPORTING PERIOD

Save as the entering into of the supplemental agreement by the Company as described in the sub-section headed "Capital Structure" above, there was no significant event after the reporting period.

FUTURE PROSPECTS

1. Orders in hand/Status in sales contract

During the period, all the telecommunication value-added businesses of the Group were still within contract valid period (or renewed term) with operators. These businesses at various locations were in operation at the sites concerned.

The Group will focus on the applications in the mobile Internet sector, including the Big-Data-based businesses of 金融管家, 商家旺舖助手 etc, and conduct intensive technical R&D.

2. Prospects of new business and new products

The Group will continue to focus on the mobile Internet sector, integrate the application of the Big Data, develop merchant management platform, to mainly provide e-commerce services and promotion to SMEs. At the same time, in view of the preferences of individual users, the Group will continue to improve the functions of its products. At present, the Group has paid particular attention to the building of the related technical teams and marketing teams which will cater for the actual needs of clients as well as strengthen and improve the product lines. The Group believes that the mobile Internet business will be the core of its future business growth.

AUDIT COMMITTEE

The annual results of the Group for the year ended 31 December 2014 have been reviewed and approved by the Company's audit committee.

COMPARATIVES

Bank balances and cash presented in the consolidated statement of financial position previously included restricted bank balance and bank balances and cash. To conform to current year's presentation, restricted bank balance as at 31 December 2013 has been reclassified from bank balances and cash to be separately presented in consolidated statement of financial position to facilitate a better presentation.

SCOPE OF AUDITOR'S WORK ON FINAL RESULTS ANNOUNCEMENT

The figures in respect of this preliminary announcement of the Group's final results for the year ended 31 December 2014 have been agreed by the Company's auditor, SHINEWING (HK) CPA Limited ("**SHINEWING**"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2014. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on this preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2014.

CORPORATE GOVERNANCE

During the year ended 31 December 2014, the Company complied, in all material aspects, with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 15 to the GEM Listing Rules except for the following deviations.

The CG code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Chen Ping is both the chairman and chief executive officer of the Company who is responsible for managing the Board and the Group business. The Board considers that, with the present Board structure and scope of business of the Group, there is no imminent need to separate the roles into two individuals as Mr. Chen is perfectly capable of distinguishing the priority of these roles in which he has been acting. However, the Board will continue to review the effectiveness of the Group corporate governance structure to assess whether the separation of the positions of chairman and chief executive officer is necessary.

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

Hangzhou City, the PRC, 25 March 2015

* *For identification purposes only*

As at the date of this announcement, the Board comprises six executive Directors, being Mr. Chen Ping, Mr. Chao Hong Bo, Mr. Xia Zhen Hai, Mr. Xie Fei, Mr. Wang Linhua and Mr. Wang Yong Gui and three independent non-executive Directors, being Mr. Zhang De Xin, Mr. Cai Xiao Fu and Mr. Gu Yu Lin.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for at least 7 days from the day of its posting and on the website of the Company at www.landpage.com.cn.