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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)

RISE SEA LIMITED

陞洋有限公司

*(a company incorporated in
Hong Kong with limited liability)*

JOINT ANNOUNCEMENT

- (1) THE SALE AND PURCHASE OF THE DOMESTIC SHARES IN
ZHEDA LANDE SCITECH LIMITED*;
(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED
ON BEHALF OF RISE SEA LIMITED
FOR ALL THE ISSUED H SHARES IN
ZHEDA LANDE SCITECH LIMITED*
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY RISE SEA LIMITED AND ZHEJIANG SHENGHUA
HOLDINGS COMPANY LIMITED*);
AND
(3) RESUMPTION OF TRADING IN H SHARES**

**Financial adviser to
Zhejiang Shenghua Holdings Company Limited* and Rise Sea Limited**



THE SHARE TRANSFER AGREEMENTS

The Board has been informed by the Vendors that the Vendors entered into the Share Transfer Agreements with the Purchaser on 2 December 2016 (after trading hours).

Pursuant to the Share Transfer Agreements, among other things:

- (1) Insignia Technology Co., Ltd.* (浙大網新科技股份有限公司) has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 81,802,637 Domestic Shares (representing approximately 16.15% of the total number of issued Shares) for an aggregate consideration of HK\$31,085,002.06 (equivalent to RMB27,572,707.68 at the Agreement Exchange Rate);
- (2) Shanghai Longtail Investment Management Co., Ltd.* (上海長尾投資管理有限公司) has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 34,117,808 Domestic Shares (representing approximately 6.74% of the total number of issued Shares) for an aggregate consideration of HK\$12,964,767.04 (equivalent to RMB11,499,878.01 at the Agreement Exchange Rate);
- (3) Guoheng Fashion Media Technology Group Co., Ltd.* (國恒時尚傳媒科技集團股份有限公司) has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 34,117,800 Domestic Shares (representing approximately 6.74% of the total number of issued Shares) for an aggregate consideration of HK\$12,964,764.00 (equivalent to RMB11,499,875.32 at the Agreement Exchange Rate);
- (4) Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司) has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 33,961,432 Domestic Shares (representing approximately 6.70% of the total number of issued Shares) for an aggregate consideration of HK\$12,905,344.16 (equivalent to RMB11,447,169.32 at the Agreement Exchange Rate);
- (5) Mr. Chen has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 9,098,080 Domestic Shares (representing approximately 1.80% of the total number of issued Shares) for an aggregate consideration of HK\$3,457,270.40 (equivalent to RMB3,066,633.42 at the Agreement Exchange Rate);
- (6) Mr. Wang Leibo has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 7,505,910 Domestic Shares (representing approximately 1.48% of the total number of issued Shares) for an aggregate consideration of HK\$2,852,245.80 (equivalent to RMB2,529,970.55 at the Agreement Exchange Rate);
- (7) Mr. Chen Guocai has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 5,311,473 Domestic Shares (representing approximately 1.05% of the total number of issued Shares) for an aggregate consideration of HK\$2,018,359.74 (equivalent to RMB1,790,305.27 at the Agreement Exchange Rate);

- (8) Mr. Wang Jincheng has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 5,000,000 Domestic Shares (representing approximately 0.99% of the total number of issued Shares) for an aggregate consideration of HK\$1,900,000.00 (equivalent to RMB1,685,319.00 at the Agreement Exchange Rate);
- (9) Mr. Jin Lianfu has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 3,411,790 Domestic Shares (representing approximately 0.67% of the total number of issued Shares) for an aggregate consideration of HK\$1,296,480.20 (equivalent to RMB1,149,990.90 at the Agreement Exchange Rate); and
- (10) Mr. Huo Zhonghui has agreed to sell, and the Purchaser has agreed to purchase, an aggregate of 2,800,000 Domestic Shares (representing approximately 0.55% of the total number of issued Shares) for an aggregate consideration of HK\$1,064,000.00 (equivalent to RMB943,778.64 at the Agreement Exchange Rate).

As at the date of this joint announcement, the Sale Shares, being an aggregate of 217,126,930 Domestic Shares, represent approximately 42.86% of the total number of issued Shares.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, save for the 217,126,930 Domestic Shares to be acquired by the Purchaser and 49,000,000 H Shares held by the Offeror, the Offeror Group does not hold any Shares nor other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon completion of the Share Transfers under the Share Transfer Agreements, the Offeror Group will own an aggregate of 217,126,930 Domestic Shares and 49,000,000 H Shares, representing approximately 52.54% of the total number of issued Shares. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror Group will be required to make a mandatory unconditional general offer in cash for all the outstanding Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Offeror and the Purchaser.

Mr. Chen is an executive Director as at the date of this joint announcement. Pursuant to the applicable PRC laws and regulations, the incumbent directors, members of senior management and supervisors of the Company are only allowed to dispose of 25% of their Shares to any third parties per annum and shall not dispose of the remaining Shares that they hold for a period of six months following their resignation. As a result of the foregoing restriction, Mr. Chen is only allowed to sell 25% of his Domestic Shares as he is still an executive Director as at the date of the Share Transfer Agreement with Mr. Chen. In order to comply with the foregoing restriction, Mr. Chen has given an irrevocable undertaking in the Share Transfer Agreement with Mr. Chen that he will not accept the Domestic Share Offer (if any) in respect of his remaining 27,294,240 Domestic Shares and will not transfer, sell or by any other means dispose of such Domestic Shares prior to closing of the Domestic Share Offer (if any). As Mr. Chen's remaining Domestic Shares are the only outstanding Domestic Shares after the Completion not held by the Offeror Group and Mr. Chen has undertaken that he will not accept the Domestic Share Offer (if any), no Domestic Share Offer will be made in respect of the outstanding Domestic Shares.

Save for Mr. Chen, none of the Vendors is subject to the restriction on transferring the Domestic Shares under the applicable PRC laws and regulations.

The Purchaser will make the H Share Offer through the Offeror, its offshore investment vehicle, and a wholly-owned subsidiary of the Purchaser.

Guotai Junan Securities will make the H Share Offer on behalf of the Offeror for all the H Shares in issue and not already owned or agreed to be acquired by the Offeror and the Purchaser at the H Share Offer Price of HK\$0.38 (if the Tendered Shareholders choose to receive the consideration in RMB, RMB0.3371 at the Agreement Exchange Rate) for each H Share. The Tendered Shareholders shall have an option to choose to receive the consideration in HK\$ or RMB.

The H Share Offer Price of HK\$0.38 (if the Tendered Shareholders choose to receive the consideration in RMB, RMB0.3371 at the Agreement Exchange Rate) per H Share to be made by the Offeror is equivalent to RMB0.3371, which is equal to the price per Sale Share payable under the Share Transfer Agreements based on the Agreement Exchange Rate.

Based on the total number of issued Shares as at the date of this joint announcement, there will be 213,125,000 H Shares subject to the H Share Offer. Assuming all the Tendered Shareholders choose to receive consideration in HK\$, the H Share Offer is valued at approximately HK\$80,987,500.00 based on the H Share Offer Price of HK\$0.38 per H Share.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISOR

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors namely Mr. Zhang De Xin, Mr. Cai Xiao Fu and Mr. Gu Yu Lin who have no direct or indirect interest in the H Share Offer, has been established for the purpose of advising the Independent Shareholders in relation to the H Share Offer, and if the H Share Offer is made, as to whether H Share Offer is, or is not, fair and reasonable and whether to accept, or not to accept, the H Share Offer. Pursuant to Rule 2.1 of the Takeovers Code, the Independent Financial Adviser will be appointed to advise the Independent Board Committee in connection with the H Share Offer. Shareholders are advised to take no action until they have received the Composite Document which will contain, inter alia, the advice of the Independent Board Committee and the Independent Financial Adviser.

GENERAL

Under Rule 8.2 of the Takeovers Code, an offer document should normally be posted by or on behalf of the Offeror within 21 days of the date of this joint announcement. Pursuant to Rule 8.4 of the Takeovers Code, the Company should send a response document in relation to the H Share Offer to the Shareholders within 14 days from the posting of the offer document or such later date as the Executive may approve. It is the intention of the Offeror and the Company that the offer document and the offeree board circular are to be combined in the Composite Document. The Composite Document setting out, among others, details of the H Share Offer, accompanied by the relevant forms of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the advice letter from the Independent Financial Adviser in respect of the H Share Offer will be jointly despatched by the Offeror and the Company to the Shareholders in accordance with the requirements of the Takeovers Code.

As the making of the H Share Offer is conditional on the Completion, an application will be made to seek the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to be within seven days after the Completion, if required.

WARNING: Shareholders and potential investors of the Company should note that the H Share Offer may or may not be materialised as the making of the H Share Offer is subject to the Completion. Accordingly, the Shareholders and potential investors of the Company should exercise caution when dealing in the H Shares. If Shareholders and potential investors have any doubt about their position, they should consult their professional advisers. Further announcement(s) will be made by the Offeror and the Company regarding the H Share Offer as and when appropriate.

RESUMPTION OF TRADING IN H SHARES

At the request of the Company, trading in the H Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 5 December 2016 pending the publication of this joint announcement. Application will be made by the Company to the Stock Exchange for the resumption of trading in the H Shares with effect from 9:00 a.m. on 8 December 2016.

The Board has been informed by the Vendors that the Vendors entered into the Share Transfer Agreements with the Purchaser on 2 December 2016 (after trading hours).

THE SHARE TRANSFER AGREEMENTS

On 2 December 2016 (after trading hours), the Purchaser and the Vendors entered into the Share Transfer Agreements pursuant to which the Purchaser conditionally agreed to acquire and the Vendors conditionally agreed to sell the Sale Shares at an aggregate consideration of HK\$82,508,233.40 (equivalent to RMB73,185,628.11 at the Agreement Exchange Rate). The Sale Shares, being 217,126,930 Domestic Shares, represent approximately 42.86% of the total number of issued Shares as at the date of this joint announcement.

(1) Share Transfer Agreement with Insigma Technology

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Insigma Technology Co., Ltd.* (浙大網新科技股份有限公司), as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Insigma Technology, Insigma Technology Co., Ltd.* (浙大網新科技股份有限公司) is beneficially interested in 81,802,637 Domestic Shares, representing approximately 16.15% of the total number of issued Shares. Pursuant to the Share

Transfer Agreement with Insigma Technology, Insigma Technology Co., Ltd.* (浙大網新科技股份有限公司) has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 81,802,637 Domestic Shares for an aggregate consideration of HK\$31,085,002.06 (equivalent to RMB27,572,707.68 at the Agreement Exchange Rate).

(2) Share Transfer Agreement with Longtail Investment

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Shanghai Longtail Investment Management Co., Ltd.* (上海長尾投資管理有限公司), as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Longtail Investment, Shanghai Longtail Investment Management Co., Ltd.* (上海長尾投資管理有限公司) is beneficially interested in 34,117,808 Domestic Shares, representing approximately 6.74% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Longtail Investment, Shanghai Longtail Investment Management Co., Ltd.* (上海長尾投資管理有限公司) has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 34,117,808 Domestic Shares for an aggregate consideration of HK\$12,964,767.04 (equivalent to RMB11,499,878.01 at the Agreement Exchange Rate).

(3) Share Transfer Agreement with Guoheng Fashion

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Guoheng Fashion Media Technology Group Co., Ltd.* (國恒時尚傳媒科技集團股份有限公司), as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Guoheng Fashion, Guoheng Fashion Media Technology Group Co., Ltd.* (國恒時尚傳媒科技集團股份有限公司) is beneficially interested in 34,117,800 Domestic Shares, representing approximately 6.74% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Guoheng Fashion, Guoheng Fashion Media Technology Group Co., Ltd.* (國恒時尚傳媒科技集團股份有限公司) has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 34,117,800 Domestic Shares for an aggregate consideration of HK\$12,964,764.00 (equivalent to RMB11,499,875.32 at the Agreement Exchange Rate).

(4) Share Transfer Agreement with Hangzhou Gongjia

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司), as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Hangzhou Gongjia, Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司) is beneficially interested in 33,961,432 Domestic Shares, representing approximately 6.70% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Hangzhou Gongjia, Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司) has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 33,961,432 Domestic Shares for an aggregate consideration of HK\$12,905,344.16 (equivalent to RMB11,447,169.32 at the Agreement Exchange Rate).

(5) Share Transfer Agreement with Mr. Chen

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Mr. Chen Ping, as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Mr. Chen, Mr. Chen is beneficially interested in 36,392,320 Domestic Shares, representing approximately 7.18% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Mr. Chen, Mr. Chen has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 9,098,080 Domestic Shares (representing approximately 1.80% of the total number of issued Shares for an aggregate consideration of HK\$3,457,270.40 (equivalent to RMB3,066,633.42 at the Agreement Exchange Rate).

(6) Share Transfer Agreement with Mr. Wang Leibo

Date: 2 December 2016 (after trading hours)

Parties:

(a) Mr. Wang Leibo, as vendor; and

(b) the Purchaser.

As at the date of the Share Transfer Agreement with Mr. Wang Leibo, Mr. Wang Leibo is beneficially interested in 7,505,910 Domestic Shares, representing approximately 1.48% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Mr. Wang Leibo, Mr. Wang Leibo has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 7,505,910 Domestic Shares for an aggregate consideration of HK\$2,852,245.80 (equivalent to RMB2,529,970.55 at the Agreement Exchange Rate).

(7) Share Transfer Agreement with Mr. Chen Guocai

Date: 2 December 2016 (after trading hours)

Parties:

(a) Mr. Chen Guocai, as vendor; and

(b) the Purchaser.

As at the date of the Share Transfer Agreement with Mr. Chen Guocai, Mr. Chen Guocai is beneficially interested in 5,311,473 Domestic Shares, representing approximately 1.05% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Mr. Chen Guocai, Mr. Chen Guocai has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 5,311,473 Domestic Shares for an aggregate consideration of HK\$2,018,359.74 (equivalent to RMB1,790,305.27 at the Agreement Exchange Rate).

(8) Share Transfer Agreement with Mr. Wang Jincheng

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Mr. Wang Jincheng, as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Mr. Wang Jincheng, Mr. Wang Jincheng is beneficially interested in 5,000,000 Domestic Shares, representing approximately 0.99% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Mr. Wang Jincheng, Mr. Wang Jincheng has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 5,000,000 Domestic Shares for an aggregate consideration of HK\$1,900,000.00 (equivalent to RMB1,685,319.00 at the Agreement Exchange Rate).

(9) Share Transfer Agreement with Mr. Jin Lianfu

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Mr. Jin Lianfu, as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Mr. Jin Lianfu, Mr. Jin Lianfu is beneficially interested in 3,411,790 Domestic Shares, representing approximately 0.67% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Mr. Jin Lianfu, Mr. Jin Lianfu has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 3,411,790 Domestic Shares for an aggregate consideration of HK\$1,296,480.20 (equivalent to RMB1,149,990.90 at the Agreement Exchange Rate).

(10) Share Transfer Agreement with Mr. Huo Zhonghui

Date: 2 December 2016 (after trading hours)

Parties:

- (a) Mr. Huo Zhonghui, as vendor; and
- (b) the Purchaser.

As at the date of the Share Transfer Agreement with Mr. Huo Zhonghui, Mr. Huo Zhonghui is beneficially interested in 2,800,000 Domestic Shares, representing approximately 0.55% of the total number of issued Shares. Pursuant to the Share Transfer Agreement with Mr. Huo Zhonghui, Mr. Huo Zhonghui has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, an aggregate of 2,800,000 Domestic Shares for an aggregate consideration of HK\$1,064,000.00 (equivalent to RMB943,778.64 at the Agreement Exchange Rate).

As at the date of this joint announcement, the Sale Shares, being an aggregate of 217,126,930 Domestic Shares, represent approximately 42.86% of the total number of issued Shares.

Effectiveness of the Share Transfer Agreements

Pursuant to the terms thereof, each of the Share Transfer Agreements shall become effective upon the fulfilment of the following conditions:

- (i) the relevant Share Transfer Agreement has been duly executed by the respective Vendor and the Purchaser; and
- (ii) all the Share Transfer Agreements in respect of the Sale Shares have been duly executed.

As all Share Transfer Agreements have been duly executed by the Purchaser and the respective Vendors on 2 December 2016, both conditions have been fulfilled and all the Share Transfer Agreements have become effective on 2 December 2016.

Consideration

The aggregate consideration for the Sale Shares is HK\$82,508,233.40 (equivalent to RMB73,185,628.11 at the Agreement Exchange Rate) in cash (equivalent to HK\$0.380 and RMB0.3371 per Sale Share at the Agreement Exchange Rate), which was determined among the Purchaser and the Vendors on arms' length negotiations, after making reference to the trading price and the trading volume of the H Shares, which is the only available market for reference of the value of the Shares and taking into account the audited consolidated net asset value of the Group as at 31 December 2015 and the liquidity of the Domestic Shares.

Pursuant to the Share Transfer Agreements, the aggregate consideration shall be settled in RMB, based on the Agreement Exchange Rate.

Pursuant to the Share Transfer Agreements, 10% of the aggregate consideration being the deposit in the sum of HK\$8,250,823.34 (equivalent to RMB7,318,562.81 at the Agreement Exchange Rate) shall be paid by the Purchaser to the respective Escrow Accounts within ten (10) Business Days after the Share Transfer Agreements have become effective. The said deposit will be used to settle the aggregate consideration on the Completion in accordance with the terms of the Share Transfer Agreements.

Pursuant to the Share Transfer Agreements, within three (3) Business Days after the Completion:

- (i) the Purchaser shall instruct the bank with which the Escrow Accounts were opened to pay the deposit (without interest) to the respective Vendors and to pay all the proceeds (if any) generated from the deposit in the Escrow Accounts to the Purchaser; and
- (ii) 90% of the aggregate consideration in the sum of HK\$74,257,410.06 (equivalent to RMB65,867,065.30 at the Agreement Exchange Rate) shall be payable by the Purchaser to the respective Vendor in cash.

Pursuant to the Share Transfer Agreements, if the Completion fails to take place for any reason, the Vendors and the Purchaser shall, within three (3) Business Days after the termination of the Share Transfer Agreements, jointly instruct the bank with which the Escrow Accounts were opened to return the deposit (including the interest) to the Purchaser.

Conditions Precedent

The Completion in respect of each Share Transfer is subject to the following conditions precedent as set out in the respective Share Transfer Agreements:

- (i) there is no breach by the Vendor in respect of its/his obligations under the Share Transfer Agreement and all the warranties, representations and undertakings made by the Vendor in the Share Transfer Agreement shall remain true and accurate between the date of the Share Transfer Agreement and the Completion Date and there is no material adverse change between the date of the Share Transfer Agreements and the Completion Date;
- (ii) up to the Completion Date, the H Shares are still listed and can be traded on the GEM and as at the Completion Date, no notice or instruction from the Stock Exchange or the SFC has been received, which indicates that the listing of the H Shares will be or may be withdrawn for any reason or the trading of the H Shares will be or may be suspended for two consecutive business days (as defined in the GEM Listing Rules) for any reason (excluding the suspension for obtaining the approval from the Stock Exchange or the SFC in relation to the joint announcement and other announcement(s) to be published by the Company concerning the transactions contemplated under the Share Transfer Agreement);

- (iii) up to the Completion Date, there is no circumstance under which the Company is recognised by the Stock Exchange as a cash company and there is no circumstance under which the Company will be regarded as unsuitable for listing or it has to relaunch the listing application process after any suspension; and up to the Completion Date, there is no circumstance under which the Company receives any instruction from the SFC or the Stock Exchange, which indicates that the listing of the H Shares will be or may be withdrawn or objected (or will be or may be subject to any condition) due to the Completion or any terms of the Share Transfer Agreement;
- (iv) the Company has issued this joint announcement in respect of the Share Transfer Agreement in connection with the Share Transfer and the trading of H Shares has been resumed;
- (v) the Vendor has obtained all requisite internal and external approval(s), consent(s), licence(s), permit(s), authorization(s), waiver(s) and/or exemption(s) in respect of the transactions contemplated under the Share Transfer Agreement, including any approval and consent from regulatory authority(ies) (if applicable);
- (vi) there is no order or judgement (no matter whether it is temporary, preliminary or permanent) issued by any relevant government authority, which may render the Share Transfer become illegal or be prohibited, limited or restricted; and
- (vii) the Vendor has delivered to the Purchaser the relevant documents relating to the Share Transfer.

According to the PRC legal advisers to the Offeror, the approvals, consents and licences in (v) above include, among others, the resolutions of the board of directors and/or the shareholders of the relevant Vendor, and the relevant consent, authorisation or waiver from any third party for any Sale Shares which are pledged or charged. However, to the best knowledge of the Purchaser, the Sale Shares are not subject to any right of a third party.

If the above conditions precedent cannot be fulfilled or waived entirely or partly by the Purchaser in writing before 5:00 p.m. on the Long Stop Date, or such later date as agreed by the parties to the Share Transfer Agreements in writing, the Purchaser shall have the right to terminate the Share Transfer Agreements, provided that such right of termination shall be exercised within 60 days since it becomes exercisable.

Further announcement(s) in relation to the extension of the Long Stop Date, if required and agreed, will be made as and when appropriate.

Completion

The Completion shall take place immediately upon the completion of the share transfer registration in respect of the Sale Shares from the respective Vendors to the Purchaser at the China Securities Depository and Clearing Corporation Limited pursuant to the Share Transfer Agreements which shall be done within 10 Business Days after all the above conditions precedent are fulfilled.

The completion of each of the Share Transfer Agreement is not conditional upon the completion of the other Share Transfer Agreements.

Irrevocable Undertaking

Pursuant to the Share Transfer Agreement with Mr. Chen, Mr. Chen irrevocably and unconditionally undertook that he will not accept the Domestic Share Offer in respect of his remaining 27,294,240 Domestic Shares after the Share Transfer.

Mr. Chen is an executive Director as at the date of this joint announcement. Pursuant to the applicable PRC laws and regulations, the incumbent directors, members of senior management and supervisors of the Company are only allowed to dispose of 25% of their Shares to any third parties per annum and shall not dispose of the remaining Shares that they hold for a period of six months following their resignation. As a result of the foregoing restriction, Mr. Chen is only allowed to sell 25% of his Domestic Shares as he is still an executive Director as at the date of the Share Transfer Agreement with Mr. Chen. In order to comply with the foregoing restriction, Mr. Chen has given an irrevocable undertaking in the Share Transfer Agreement with Mr. Chen that he will not accept the Domestic Share Offer (if any) in respect of his remaining Domestic Shares and will not transfer, sell or by any other means dispose of such Domestic Shares prior to closing of the Domestic Share Offer (if any). Other than the undertaking that he will not accept the Domestic Share Offer and will not transfer, sell or by any other means to dispose of the Domestic Shares owned by him prior to closing of the Domestic Share Offer (if any), there is no other undertaking/right in respect of the remaining Domestic Shares held by Mr. Chen after the Completion given by Mr. Chen to the Offeror Group.

MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, save for the 217,126,930 Domestic Shares to be acquired by the Purchaser and 49,000,000 H Shares held by the Offeror, the Offeror Group does not hold any Shares nor other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company. Upon completion of the Share Transfer under the Share Transfer Agreements, the Offeror Group will own an aggregate of 217,126,930 Domestic Shares and 49,000,000 H Shares, representing approximately 52.54% of the total number of issued Shares. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror Group will be required to make a mandatory unconditional general offer in cash for all the outstanding Domestic Shares and H Shares other than those already owned or agreed to be acquired by the Offeror and the Purchaser.

As disclosed in the paragraph headed “The Share Transfer Agreements – Irrevocable Undertaking” above, Mr. Chen irrevocably and unconditionally undertook to the Purchaser in the Share Transfer Agreement with Mr. Chen that he will not accept the Domestic Share Offer in respect of his remaining 27,294,240 Domestic Shares and will not transfer, sell or by any other means dispose of such Domestic Shares prior to closing of the Domestic Share Offer (if any). As Mr. Chen’s remaining Domestic Shares are the only outstanding Domestic Shares after the Completion not held by the Offeror Group and Mr. Chen has undertaken that he will not accept the Domestic Share Offer (if any), no Domestic Share Offer will be made in respect of the outstanding Domestic Shares.

Save for Mr. Chen, none of the Vendors is subject to the restriction on transferring the Domestic Shares under the applicable PRC laws and regulations.

The Purchaser will make the H Share Offer through the Offeror, its offshore investment vehicle and which is its wholly-owned subsidiary.

Guotai Junan Securities will make the H Share Offer on behalf of the Offeror for all the H Shares in issue and not already owned or agreed to be acquired by the Offeror and the Purchaser at the H Share Offer Price of HK\$0.38 for each H Share (if the Tendered Shareholders choose to receive the consideration in RMB, RMB0.3371 at the Agreement Exchange Rate).

Principal terms of the H Share Offer

Upon the Completion, Guotai Junan Securities, on behalf of the Offeror, will make the H Share Offer to acquire all the H Shares in issue and not already owned or agreed to be acquired by the Offeror and the Purchaser pursuant to Rule 26.1 of the Takeovers Code on the following basis:

For each H Share. HK\$0.38 (if the Tendered Shareholders choose to receive the consideration in RMB, RMB0.3371 at the Agreement Exchange Rate) in cash

The H Share Offer Price of HK\$0.38 (if the Tendered Shareholders choose to receive the consideration in RMB, RMB0.3371 at the Agreement Exchange Rate) per H Share to be made by Guotai Junan Securities, on behalf of the Offeror, is equivalent to RMB0.3371 which is equal to the purchase price per Sale Share payable to the Vendors by the Purchaser under the Share Transfer Agreements based on the Agreement Exchange Rate.

The H Shares to be acquired under the H Share Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the H Share Offer is made, that is, the date of despatch of the Composite Document.

As at the date of this joint announcement, the Company does not have any outstanding warrants or options or derivatives to acquire Shares or other securities which are convertible into Shares. Holders of H Shares and holders of Domestic Shares have the same voting right and the right to receive dividend.

Comparison of value

The H Share Offer Price of HK\$0.38 per H Share represents:

- (i) a discount of approximately 25.49% to the closing price of HK\$0.51 per H Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 26.07% to the average closing price of approximately HK\$0.514 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 26.92% to the average closing price of approximately HK\$0.52 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 72.02% over the unaudited consolidated net assets per Share attributable to the owners of the Company of approximately RMB0.196 (equivalent to approximately HK\$0.2209) as at 30 June 2016.

Highest and lowest H Share prices

The highest and lowest closing prices of the H Shares quoted on the Stock Exchange during the six-month period preceding the Last Trading Day were HK\$0.58 per H Share on 2 November 2016, 3 November 2016 and 4 November 2016 and HK\$0.49 per H Share on 14 September 2016 and 15 September 2016, respectively.

Value of the H Share Offer

Based on the number of issued Shares as at the date of this joint announcement, there will be 213,125,000 H Shares subject to the H Share Offer. Assuming all the Tendered Shareholders accept the consideration in HK\$, the H Share Offer is valued at HK\$80,987,500.00 based on the H Share Offer Price of HK\$0.38 per H Share.

Financial resources sufficiency

The aggregate consideration payable by the Purchaser for the Sale Shares is HK\$82,508,233.40 (equivalent to RMB73,185,628.11 at the Agreement Exchange Rate) and assuming all the Tendered Shareholders accept the consideration in HK\$, the maximum consideration payable by the Offeror under the H Share Offer is valued at HK\$80,987,500.00. The fund required by the Purchaser and Offeror to satisfy the consideration for the Sale Shares and H Share Offer will be financed by the existing internal resources of the Offeror and the Purchaser respectively.

Guotai Junan Capital, being the financial adviser to the Offeror and the Purchaser, is satisfied that sufficient financial resources are available to (i) the Purchaser to meet the consideration for the Sale Shares; and (ii) the Offeror to meet the acceptance in full of the H Share Offer.

Effects of accepting the H Share Offer

By accepting the H Share Offer, the relevant Shareholders will sell their H Shares to the Offeror free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the H Share Offer is made, that is, the

date of despatch of the Composite Document. As at the date of this joint announcement, no dividend or other distribution has been declared by the Company the payment of which will be made on or after the H Share Offer is made.

Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the H Shares or consideration payable by the Offeror in respect of the relevant acceptances of the H Share Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the H Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of accepting Shareholders and will pay the buyers ad valorem stamp duty in connection with the acceptance of the H Share Offer and the transfer of the H Shares.

Payment

Although the Tendered Shareholders can choose to receive the consideration in RMB, all Tendered Shareholders will be paid in HK\$ unless they elect to receive all of the consideration in RMB. All the consideration to be settled in RMB will be calculated at the Agreement Exchange Rate. Payment in cash in either HK\$ or RMB in respect of acceptances of the H Share Offer will be made as soon as practicable but in any event within 7 business days (as defined under the Takeovers Code) of the date on which duly completed acceptances of the H Share Offer together with relevant documents of title of the H Shares are received by the Offeror (or the branch share registrar and transfer office of the Company in Hong Kong) to render each such acceptance complete and valid.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the H Share Offer. None of the members of the Offeror Group, the Company, Guotai Junan Securities, Guotai Junan Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the H Share Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the H Share Offer.

Other arrangements

The Offeror Group confirms that as at the date of this joint announcement:

- (i) none of the members of the Offeror Group has received any irrevocable commitment to accept the H Share Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by any of the Purchaser, the Offeror, its ultimate beneficial owners and/or any person acting in concert with it;

- (iii) save for the Share Transfer Agreements and the Shares to be acquired by the Offeror through the H Share Offer, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Purchaser, the Offeror or the Company and which may be material to the H Share Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the 217,126,930 Domestic Shares to be acquired by the Purchaser and 49,000,000 H Shares held by the Offeror, none of the members of the Offeror Group owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) save for the Share Transfer Agreements, there is no agreement or arrangement to which the Purchaser or the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the H Share Offer;
- (vi) none of the members of the Offeror Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code); and
- (vii) save for the entering into of the Share Transfer Agreements, none of the members of the Offeror Group has had any dealings in the Shares or any relevant securities of the Company during the offer period (as defined under the Takeovers Code) and within 6 months prior to its commencement.

Overseas Shareholders

The availability of the H Share Offer to Shareholders with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements in their own jurisdictions.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below shows the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately upon Completion.

| Name of Shareholder | As at the date of this joint announcement | | Immediately upon Completion | |
|--|--|--------------------------|-----------------------------|--------------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| Domestic Shares | | | | |
| The Offeror Group | | | | |
| – The Purchaser | – | – | 217,126,930 | 42.86 |
| – The Offeror | – | – | – | – |
| Insignia Technology Co., Ltd.* (浙大網新科技股份有限公司) | 81,802,637 | 16.15 | – | – |

| Name of Shareholder | As at the date of this joint announcement | | Immediately upon Completion | |
|--|--|------------------|-----------------------------|------------------|
| | Number of Shares | Approximate % | Number of Shares | Approximate % |
| Shanghai Longtail Investment Management Co., Ltd.* (上海長尾投資管理有限公司) | 34,117,808 | 6.74 | — | — |
| Guoheng Fashion Media Technology Group Co., Ltd.* (國恒時尚傳媒科技集團股份有限公司) | 34,117,800 | 6.74 | — | — |
| Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司) | 33,961,432 | 6.70 | — | — |
| Mr. Chen | 36,392,320 | 7.18 | 27,294,240 | 5.39 |
| Mr. Wang Leibo | 7,505,910 | 1.48 | — | — |
| Mr. Chen Guocai | 5,311,473 | 1.05 | — | — |
| Mr. Wang Jincheng | 5,000,000 | 0.99 | — | — |
| Mr. Jin Lianfu | 3,411,790 | 0.67 | — | — |
| Mr. Huo Zhonghui | 2,800,000 | 0.55 | — | — |
| | | | | |
| Total number of Domestic Shares | <u>244,421,170</u> | <u>48.25</u> | <u>244,421,170</u> | <u>48.25</u> |
| <i>H Shares</i> | | | | |
| The Offeror Group | | | | |
| – The Purchaser | — | — | — | — |
| – The Offeror | 49,000,000 | 9.67 | 49,000,000 | 9.67 |
| Public Shareholders | 213,125,000 | 42.07 | 213,125,000 | 42.07 |
| Total number of H Shares | <u>262,125,000</u> | <u>51.75</u> | <u>262,125,000</u> | <u>51.75</u> |
| | | | | |
| Total | <u>506,546,170</u> | <u>100.00</u> | <u>506,546,170</u> | <u>100.00</u> |

INFORMATION ON THE COMPANY AND THE GROUP

The Company was established in the PRC as a joint stock company with limited liability and its H Shares are listed on the GEM.

The Group is principally engaged in the provision of telecommunication solutions, trading of hardware and computer software, provision of telecommunication value-added services, and investment holding.

INFORMATION ON THE OFFEROR AND THE PURCHASER

The Offeror is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

As at the date of this joint announcement, the sole shareholder and the sole director of the Offeror is the Purchaser and Mr. Qian Haiping, respectively. Mr. Qian Haiping is also one of the directors of the Purchaser.

The Purchaser is a company incorporated in the PRC with limited liability and is principally engaged in, among others, project investment and investment management, investment in and development of biological products, paper products, plywood and other wood products and property investment. As at the date of this joint announcement, the Purchaser is owned as to approximately 69.535% by Deqing Huisheng Investment Company Limited* (德清匯升投資有限公司) (“**Deqing Huisheng**”), which is a company incorporated in the PRC with limited liability; as to approximately 10.8% by Deqing Shengying Investment Partnership (limited partnership)* (德清升盈投資合夥企業), which is a limited partnership which was set up in the PRC; as to approximately 9.149% by Mr. Wu Menggen (吳夢根); as to approximately 5.758% by Mr. Qian Haiping (錢海平), the sole director of the Offeror; as to approximately 2.013% by Mr. Bao Xinan (鮑希楠); as to approximately 0.915% by Ms. Wang Juping (王菊平); as to approximately 0.915% by Mr. Wang Feng (王鋒); and as to approximately 0.915% by Mr. Luo Batang (羅壩塘). Deqing Huisheng is owned as to 75% by Mr. Xia Shilin (夏士林) and as to 25% by Ms. Qian Xiaomei (錢小妹), the spouse of Mr. Xia Shilin, both of whom are Independent Third Parties.

THE OFFEROR’S INTENTION ON THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal activities after the close of the H Share Offer and will maintain the listing status of the Company. However, the Offeror will conduct a detailed review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group with the aim of growing and expanding its business and strengthening its financial position. Subject to the results of the review, the Offeror may explore other business opportunities for the Company and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company.

However, as at the date of this joint announcement, no such investment or business opportunities has been identified nor has the Offeror entered into an agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Further, as at the date of this joint announcement, the Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

BOARD COMPOSITION OF THE COMPANY

As at the date of this joint 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.

The Company has not been informed of any change or potential change or resignation of the Directors as at the date of this joint announcement.

Upon Completion, the Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code or such later date as the Offeror considers appropriate but, as at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Directors. Further announcement(s) will be made by the Company in compliance with the requirements of the GEM Listing Rules as and when there are changes in the composition of the Board.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the H Shares on the Stock Exchange after the close of the H Share Offer. The Company and the Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the H Share Offer to ensure that the minimum public float of not less than 25% of the Company's entire issued share capital as required under the GEM Listing Rules will be restored or maintained (as applicable) following the close of the H Share Offer.

The Offeror does not intend to exercise or apply any right which may be available to it to acquire compulsorily any Shares outstanding after the close of the H Share Offer.

The Stock Exchange has stated that if, upon the close of the H Share Offer, the number of Shares held by the public is less than the minimum required percentage of the Company's issued share capital currently applicable to the Company or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the H Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the H Shares.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors namely Mr. Zhang De Xin, Mr. Cai Xiao Fu and Mr. Gu Yu Lin who have no direct or indirect interest in the H Share Offer, has been established for the purpose of advising the Independent Shareholders in relation to the H Share Offer, and if the H Share Offer is made, as to whether the H Share Offer is, or is not, fair and reasonable and whether to accept, or not to accept, the H Share Offer. In accordance with Rule 2.1 of the Takeovers Code, the Independent Financial Adviser will be appointed to advise the Independent Board Committee in connection with the H Share Offer. Shareholders are advised to take no action until they have received the Composite Document which will contain, inter alia, the advice of the Independent Board Committee and the Independent Financial Adviser.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) including persons who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company and the Offeror Group are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the relevant rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

Under Rule 8.2 of the Takeovers Code, an offer document should normally be posted by or on behalf of the Offeror within 21 days of the date of this joint announcement. Pursuant to Rule 8.4 of the Takeovers Code, the Company should send a response document in relation to the H Share Offer to the Shareholders within 14 days from the posting of the offer document or such later date as the Executive may approve. It is the intention of the Offeror and the Company that the offer document and the offeree board circular are to be combined in the Composite Document. The Composite Document setting out, among others, details of the H Share Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser in respect of the H Share Offer will be jointly despatched by the Offeror and the Company to the Shareholders in accordance with the requirements of the Takeovers Code.

As the making of the H Share Offer is conditional on the Completion, an application will be made to seek the Executive’s consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to be within seven days after the Completion, if required.

WARNING: Shareholders and potential investors of the Company should note that the H Share Offer may or may not be materialised as the making of the H Share Offer is subject to the Completion. Accordingly, the Shareholders and potential investors of the Company should exercise caution when dealing in the H Shares. If Shareholders and potential investors have any doubt about their position, they should consult their professional advisers. Further announcement(s) will be made by the Offeror and the Company regarding the H Share Offer as and when appropriate.

RESUMPTION OF TRADING IN H SHARES

At the request of the Company, trading in the H Shares was halted with effect from 9:00 a.m. on 5 December 2016 pending the issue of this joint announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in the H Shares with effect from 9:00 a.m. on 8 December 2016.

DEFINITIONS

Unless the context requires otherwise, the following expressions have the following meanings in this joint announcement:

| | |
|---------------------------|---|
| “acting in concert” | has the meaning ascribed to it under the Takeovers Code |
| “Agreement Exchange Rate” | the exchange rate of RMB0.88701 to HK\$1.00, being the exchange rate of RMB against HK\$ as announced by The People’s Bank of China on the date of the Share Transfer Agreements |
| “associate(s)” | has the meaning ascribed to it under the GEM Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | a day (excluding Saturday, Sunday or public or statutory holiday) in the PRC on which licensed banks in the PRC are generally open for business in the PRC throughout their normal business hours |
| “Company” | Zheda Lande Scitech Limited* (浙江浙大網新蘭德科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on GEM |
| “Completion” | completion of the Share Transfer(s) |
| “Completion Date” | the date on which the share transfer registration from the Vendors to the Purchaser at China Securities Depository and Clearing Corporation Limited pursuant to the Share Transfer Agreements has been completed and the written confirmation has been issued by China Securities Depository and Clearing Corporation Limited |
| “Composite Document” | the document proposed to be jointly issued by or on behalf of the Offeror and the Company to the Shareholders other than the Offeror Group in accordance with the Takeovers Code in respect of the H Share Offer |
| “connected person(s)” | the meaning ascribed to it under the GEM Listing Rules |
| “Directors” | the directors of the Company |

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|-------------------------------|---|
| “Domestic Share Offer” | the possible mandatory unconditional cash offer to be made by the Purchaser for all the Domestic Shares not already owned or agreed to be acquired by the Offeror and the Purchaser in accordance with the Takeovers Code |
| “Domestic Share(s)” | domestic share(s) of the Company which are subscribed for in RMB |
| “Escrow Account(s)” | the bank accounts as agreed by the Purchaser and the respective Vendors for receiving the deposit of the aggregate consideration under the respective Share Transfer Agreements |
| “Executive” | Executive Director of the Corporate Finance Division of the SFC or any of his delegate |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on the GEM |
| “Group” | the Company and its subsidiaries |
| “Guotai Junan Capital” | Guotai Junan Capital Limited, a corporation licensed under the SFO permitted to engage in type 6 regulated activities (as defined under the SFO), and the financial adviser to the Offeror in respect of the H Share Offer |
| “Guotai Junan Securities” | Guotai Junan Securities (Hong Kong) Limited, a corporation licensed under the SFO permitted to engage in type 1 regulated activities (as defined under the SFO) and a fellow subsidiary of Guotai Junan Capital |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “H Share Offer” | the possible mandatory unconditional cash offer to be made by Guotai Junan Securities on behalf of the Offeror for all the H Shares not already owned or agreed to be acquired by the Offeror and the Purchaser in accordance with the Takeovers Code |
| “H Share Offer Price” | HK\$0.38 per H Share (if the Tendered Shareholders choose to receive the consideration in RMB, RMB0.3371 at the Agreement Exchange Rate) |
| “H Share(s)” | the overseas listed foreign invested share(s) of the Company which are listed on the GEM and subscribed for and traded in HK\$ |
| “Independent Board Committee” | an independent committee of the Board established for making recommendation to the Independent Shareholders in respect of the H Share Offer |

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|---|---|
| “Independent Financial Adviser” | the independent financial adviser to the Independent Board Committee in respect of the H Share Offer |
| “Independent Shareholders” | all Shareholders other than the Offeror and the Purchaser |
| “Independent Third Party(ies)” | (an) independent third party(ies) not connected with the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the GEM Listing Rules |
| “Last Trading Day” | 2 December 2016, being the last full trading day prior to the release of this joint announcement |
| “Long Stop Date” | 31 December 2016 or such later date as agreed by the parties to the Share Transfer Agreements in writing from time to time |
| “Mr. Chen” | Mr. Chen Ping, an executive Director and the chairman of the Board |
| “Offeror” | Rise Sea Limited (陞洋有限公司), a company incorporated in Hong Kong with limited liability |
| “Offeror Group” | the Offeror, the Purchaser and the parties acting in concert with any of them |
| “PRC” | The People’s Republic of China, and for the purpose of this joint announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Purchaser” | Zhejiang Shenghua Holdings Company Limited* (浙江升華控股有限公司), a company incorporated in the PRC with limited liability |
| “Sale Shares” | an aggregate of 217,126,930 Domestic Shares to be acquired by the Purchaser in accordance with the terms and subject to the conditions of the Share Transfer Agreements |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “Share(s)” | the Domestic Shares and/or the H Shares |
| “Share Transfer(s)” | the sale and purchase of the Sale Shares in accordance with the terms and subject to the conditions of the Share Transfer Agreements |
| “Share Transfer Agreement with Guoheng Fashion” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Guoheng Fashion Media Technology Group Co., Ltd.* (國恒時尚傳媒科技集團股份有限公司) in relation to, among other things, the Share Transfer |

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|---|--|
| “Share Transfer Agreement with Hangzhou Gongjia” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司) in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Insignia Technology” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Insignia Technology Co., Ltd.* (浙大網新科技股份有限公司) in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Mr. Chen” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Mr. Chen in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Mr Chen Guocai” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Mr. Chen Guocai in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Mr. Huo Zhonghui” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Mr. Huo Zhonghui in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Mr. Jin Lianfu” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Mr. Jin Lianfu in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Mr. Wang Jincheng” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Mr. Wang Jincheng in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Mr. Wang Leibo” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Mr. Wang Leibo in relation to, among other things, the Share Transfer |
| “Share Transfer Agreement with Longtail Investment” | the share transfer agreement dated 2 December 2016 entered into between the Purchaser and Shanghai Longtail Investment Management Co., Ltd.* (上海長尾投資管理有限公司) in relation to, among other things, the Share Transfer |

| | |
|-----------------------------|--|
| “Share Transfer Agreements” | together, the Share Transfer Agreement with Inigma Technology, the Share Transfer Agreement with Longtail Investment, the Share Transfer Agreement with Guoheng Fashion, the Share Transfer Agreement with Hangzhou Gongjia, the Share Transfer Agreement with Mr. Chen, the Share Transfer Agreement with Mr. Wang Leibo, the Share Transfer Agreement with Mr. Chen Guocai, the Share Transfer Agreement with Mr. Wang Jincheng, the Share Transfer Agreement with Mr. Jin Lianfu and the Share Transfer Agreement with Mr. Huo Zhonghui |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Tendered Shareholders” | the Shareholders who tender their acceptances of the H Share Offer |
| “Vendors” | together, Inigma Technology Co., Ltd.* (浙大網新科技股份有限公司), Shanghai Longtail Investment Management Co., Ltd.* (上海長尾投資管理有限公司), Guoheng Fashion Media Technology Group Co., Ltd.* (國恒時尚傳媒科技集團股份有限公司), Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司), Mr. Chen, Mr. Wang Leibo, Mr. Chen Guocai, Mr. Wang Jincheng, Mr. Jin Lianfu and Mr. Huo Zhonghui |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “%” | per cent. |

Unless stated otherwise, in this joint announcement, amounts denominated in RMB have been translated into HK\$ at the exchange rate of RMB0.88722 to HK\$1.00, being the exchange rate of RMB against HK\$ as announced by The People’s Bank of China on the date of this joint announcement. No representation is made that the HK\$ amounts could have been or could be converted into RMB at such rate or any other rate or at all. Certain amounts and percentage figures in this joint announcement have been subject to rounding adjustments.

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

By Order of the Board
RISE SEA LIMITED
Qian Haiping
Sole director

Hangzhou City, the PRC, 7 December 2016

As at the date of this joint 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.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Qian Haiping.

As at the date of this joint announcement, the ultimate parent company of the Offeror is Deqing Huisheng, the sole director of which is Mr. Xia Shilin.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information in relation to the Purchaser and the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The sole director of the Offeror and the sole director of Deqing Huisheng jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than those relating to the Company, the Vendors and their respective associates and parties acting in concert with them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcement” page on the GEM website at www.hkgem.com for at least 7 days from its date of publication and on the website of the Company at <http://www.landpage.com.cn>.

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