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 2015

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.

This announcement, for which the directors of Zheda Lande Scitech Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purposes of giving information with regard to Zheda Lande Scitech Limited*. The directors of Zheda Lande Scitech Limited*, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

HIGHLIGHTS

- Achieved a turnover of approximately RMB64,654,000 for the year ended 31 December 2015, representing an approximately 34.33% increase as compared with the turnover for the year 2014.

- Incurred a net loss attributable to owners of the Company of approximately RMB9,381,000 for the year ended 31 December 2015, comparing to a net loss attributable to owners of the Company of approximately RMB11,237,000 incurred for the year 2014.

- The Board does not recommend the payment of a final dividend for the year ended 31 December 2015.

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 2015, together with the comparative figures for the year ended 31 December 2014 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	NOTES	**2015**	2014
		RMB'000	*RMB'000*
Turnover	*3*	**64,654**	48,130
Cost of sales		**(50,432)**	(29,914)
Gross profit		**14,222**	18,216
Other operating income		**938**	2,156
Distribution and selling expenses		**(10,699)**	(12,352)
General and administrative expenses		**(14,910)**	(19,855)
Loss before tax		**(10,449)**	(11,835)
Income tax	*4*	**–**	–
Loss and total comprehensive expense for the year	*5*	**(10,449)**	(11,835)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		**(9,381)**	(11,237)
Non-controlling interests		**(1,068)**	(598)
		(10,449)	(11,835)
		RMB	*RMB*
Loss per share			
Basic and diluted	*7*	**(2.54) cents**	(3.15) cents

Consolidated Statement of Financial Position

As at 31 December 2015

	NOTES	**2015** **RMB'000**	2014 *RMB'000*
Non-current assets			
Plant and equipment		**1,297**	1,945
Intangible assets		**–**	–
Goodwill		**–**	–
		1,297	1,945
Current assets			
Inventories		**2,191**	2,286
Trade receivables	*8*	**1,883**	6,724
Prepayments and other receivables		**4,559**	52,413
Restricted bank balance		**2,075**	1,378
Bank balances and cash		**104,586**	27,869
		115,294	90,670
Current liabilities			
Trade and other payables	*9*	**8,445**	14,107
Receipt in advance from customers		**787**	466
Income tax payables		**1,615**	1,615
		10,847	16,188
Net current assets		**104,447**	74,482
Net assets		**105,744**	76,427
Capital and reserves			
Paid-in capital		**50,655**	35,655
Reserves		**51,752**	36,367
Equity attributable to owners of the Company		**102,407**	72,022
Non-controlling interests		**3,337**	4,405
Total equity		**105,744**	76,427

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	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 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 and at 1 January 2015	35,655	76,570	10,567	(50,770)	72,022	4,405	76,427
Loss and total comprehensive expense for the year	–	–	–	(9,381)	(9,381)	(1,068)	(10,449)
Issue of new shares by way of placing	15,000	25,171	–	–	40,171	–	40,171
Share issue expenses	–	(405)	–	–	(405)	–	(405)
At 31 December 2015	50,655	101,336	10,567	(60,151)	102,407	3,337	105,744

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.

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 AND NEW HONG KONG COMPANIES ORDINANCE

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

Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle
Amendments to IAS 19	Defined Benefit Plan: Employee Contributions

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.

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 consider that the application of the amendments included in the Annual Improvements to IFRSs 2010-2012 Cycle has had no 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 consolidated 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 consider that the application of the amendments included in the Annual Improvements to IFRSs 2011-2013 Cycle has had no material effect on the Group's consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

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

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, are for the purpose of resource allocation and performance assessment. The Directors have chosen to organise the Group around differences in products and services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group's reportable segments are as follows:

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

(a) Segment revenues and results

The following is analysis of the Group's revenue and results by reportable segment:

For the year ended 31 December

	Provision of telecommunication solutions		**Trading of hardware and computer software**		**Provision of telecommunication value-added services**		**Consolidated**	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment turnover	**746**	144	**47,468**	28,594	**16,440**	19,392	**64,654**	48,130
Segment results	**137**	(1,518)	**(417)**	195	**(3,131)**	(4,744)	**(3,411)**	(6,067)
Unallocated revenue							**442**	1,455
Unallocated expenses							**(7,480)**	(7,223)
Loss before tax							**(10,449)**	(11,835)

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 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:

	Provision of telecommunication solutions		Trading of hardware and computer software		Provision of telecommunication value-added services		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
As at 31 December								
Segment assets	**1**	94	**5,961**	6,385	**1,634**	4,021	**7,596**	10,500
Unallocated assets							**108,995**	82,115
Total assets							**116,591**	92,615
Segment liabilities	**21**	–	**1,997**	2,405	**462**	284	**2,480**	2,689
Unallocated liabilities							**8,367**	13,499
Total liabilities							**10,847**	16,188

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	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	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	**25**	1	**111**	106	**–**	417	**136**	529
Cost of inventories recognised as an expense	**–**	–	**45,950**	26,657	**–**	–	**–**	–	**45,950**	26,657
Depreciation	**18**	284	**8**	105	**443**	562	**226**	285	**695**	1,236
Write back of impairment loss on trade receivables	**–**	–	**–**	(1)	**–**	–	**–**	–	**–**	(1)
Impairment loss on trade receivables	**–**	–	**–**	35	**–**	29	**–**	–	**–**	64
Impairment loss on goodwill	**–**	–	**–**	–	**–**	956	**–**	–	**–**	956
(Gain) loss on disposal of plant and equipment	**(19)**	–	**–**	1	**–**	–	**–**	47	**(19)**	48
Impairment loss on plant and equipment	**–**	813	**–**	175	**–**	208	**–**	145	**–**	1,341
Government grants	**–**	–	**–**	(120)	**(496)**	(580)	**–**	–	**(496)**	(700)
Operating lease rental for office premises	**355**	384	**299**	360	**1,199**	1,420	**–**	–	**1,853**	2,164
Interest income	**–**	–	**–**	–	**–**	–	**(80)**	(143)	**(80)**	(143)

For the year ended 31 December

	Provision of telecommunication solutions		Trading of hardware and computer software		Provision of telecommunication value-added services		Unallocated		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	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:										
Impairment loss on prepayments and other receivables	**–**	–	**–**	–	**–**	–	**–**	285	**–**	285
Research and development recognised as expenses	**–**	–	**–**	–	**–**	–	**73**	13	**73**	13
Write back of impairment loss on prepayments and other receivables	**–**	–	**–**	–	**–**	–	**–**	(1,210)	**–**	(1,210)

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:

	2015	2014
	RMB'000	*RMB'000*
Customer A[1]	**17,833**	N/A
Customer B[2]	**7,840**	5,466
Customer C[2]	**7,738**	4,978

1 Revenue from provision of trading hardware and computer software

2 Revenue from provision of telecommunication value-added services

4. INCOME TAX

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 years ended 31 December 2015 and 2014.

No provision for Enterprise Income Tax (the "**EIT**") for the Company for the years ended 31 December 2015 and 2014 as there was no assessable profit derived by the Company for both years. One of the subsidiaries was subject to EIT at a rate of 15% (2014: 15%) for the year ended 31 December 2015 as it is classified as an 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 2015 and 2014.

5. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2015	2014
	RMB'000	*RMB'000*
Salaries and other benefits (including directors', chief executive's and supervisors' emoluments)	**4,815**	7,931
Severance payments	**1,183**	–
Contributions to retirement benefits scheme	**553**	689
Total staff costs	**6,551**	8,620
Auditors' remuneration	**574**	612
Depreciation of plant and equipment	**695**	1,236
Impairment loss on plant and equipment	**–**	1,341
Impairment loss on trade receivables	**–**	64
Impairment loss on prepayments and other receivables	**–**	285
Impairment loss on goodwill	**–**	956
Loss on disposal of plant and equipment (included in general and administrative expenses)	**–**	48
Operating lease rental for office premises	**1,853**	2,164
Research and development recognised as expenses	**73**	13
Cost of inventories recognised as an expense	**45,950**	26,657

6. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: 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 RMB9,381,000 (2014: RMB11,237,000) and on the weighted average number of 369,286,000 (2014: 356,546,000) shares in issue during the year ended 31 December 2015.

Diluted loss per share was the same as basic loss per share for the years ended 31 December 2015 and 2014 as there were no diluting events existed during both years.

8. TRADE RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**6,815**	11,656
Less: Impairment losses	**(4,932)**	(4,932)
	1,883	6,724

There were no specific credit periods granted to customers except for an average credit period of 60-90 days to its 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:

	2015	2014
	RMB'000	*RMB'000*
0 to 60 days	**1,393**	5,517
61 to 90 days	**11**	465
91 to 180 days	**26**	724
Over 180 days	**453**	18
	1,883	6,724

9. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**1,376**	1,684
Other payables and accruals	**7,069**	12,423
	8,445	14,107

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

	2015	2014
	RMB'000	*RMB'000*
Less than one year	**1,060**	1,386
Over one year but less than two years	**108**	90
Over two years but less than three years	**–**	55
More than three years	**208**	153
	1,376	1,684

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

1. Review of operating results for the year

For the year ended 31 December 2015, the consolidated turnover of the Group was approximately RMB64,654,000, representing an increase of approximately RMB16,524,000, or approximately 34.33% as compared with that of 2014.

The net loss attributable to owners of the Company for the year ended 31 December 2015 was approximately RMB9,381,000, comparing to a net loss attributable to owners of the Company for the year ended 31 December 2014 of approximately RMB11,237,000.

During the year, the Group has an aggregate increase of approximately 67.77% in revenue from trading of hardware and computer software and revenue from provision of telecommunication solutions as compared with last year. Although the revenue has not yet covered the cost, the losses of the two business segments decreased as compared with last year. The revenue from provision of telecommunication value-added services of the Group decreased approximately 15.22% as compared with last year, but the loss of such business segment has narrowed.

The Board is of the view that the decrease in net loss attributable to owners of the Company for the year ended 31 December 2015 as compared with last year is due to exerting pressure on cost and cutting down expenses.

2. Product and business development

During the year, the Group continued to cooperate with operators. The existing business, including SMS business cards, precise marketing and 114 Bai Shi Tong Alliance business are still in operation. However, the revenue for each business recorded a significant decrease currently, which was mainly due to general deterioration of the market environment. In view of the rapid development of mobile Internet industry, full impact was brought and owing to the experience of shuffling and being substituted faced by the traditional value-added business of operators, and the Group was not with sufficient fund before, research and development on mobile Internet products was obviously inadequate. Currently, the Group has been focusing on developing new business direction to strive for the remodeling into future core product.

3. Investment and cooperation

During the year, the Group kept satisfactory cooperation relationships with operators and every business partners. Currently, the Group does not have a clear investment plan.

4. Principal risks and uncertainties

The Group is operating in the domestic information market in the PRC. There is recent market concern on whether the PRC economy growth will slow down in the coming years. The Group's financial performance may be adversely affected if the domestic consumer market downturn occurs and the competition in the market continues to be intensified. The Group endeavours to develop and transform its business towards mobile Internet industry application and services, aiming to diversify the risk of over reliance on one single business segment or product.

Other risks and uncertainties are set out in notes to the consolidated financial statements included in the annual report of the Company for the year ended 31 December 2015.

5. Employees information

As at 31 December 2015, the total number of employees of the Group was approximately 48 (2014: 99). During the year, the staff costs of the Group amounted to approximately RMB6,551,000 (2014: RMB8,620,000).

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 staff share options nor does it have any share option or bonus scheme.

6. **Environmental protection**

The Group's business does not involve any natural resource emissions. The key environmental impacts from the Group's operations mainly related to energy and paper consumption. To achieve environment protection, the Group encourage its employees to reduce paper, electricity and energy consumption throughout all of its operations.

7. **Compliance**

During the year, the Group has complied with all the relevant laws and regulations and has obtained all the permits and business licences from various governmental authorities necessary to carry on its business.

REVIEW OF FINANCIAL PERFORMANCE AND POSITIONS

Financial performance

- For the year ended 31 December 2015, the Group's turnover amounted to approximately RMB64,654,000 (2014: RMB48,130,000).

- For the year ended 31 December 2015, the Group achieved a profit margin of approximately 22.00% (2014: 37.85%).

- For the year ended 31 December 2015, the Group incurred a net loss attributable to owners of the Company of approximately RMB9,381,000 (2014: RMB11,237,000).

- For the year ended 31 December 2015, the Group recorded a loss per share of approximately RMB2.54 cents (2014: RMB3.15 cents).

Financial positions

- The Group maintained creditable financial conditions. For the year ended 31 December 2015, the Group's working capital was mainly financed by proceeds generated from daily operations. In 2015, the Company achieved success in additional issuance of shares, raised approximately RMB39,766,000, and readjusted and strengthened the financial structure of the Group to enhance the recovering of accounts receivable, providing fund support for the future development of the Group.

- As at 31 December 2015, the Group's total bank balances and cash amounted to approximately RMB106,661,000 (2014: RMB29,247,000).

- As at 31 December 2015, the Group had no borrowings (2014: nil).

- As at 31 December 2015, the Group had a total asset value of approximately RMB116,591,000 (2014: RMB92,615,000).

- As at 31 December 2015, the Group had current liabilities of approximately RMB10,847,000 (2014: RMB16,188,000).

- As at 31 December 2015, the Group had owner's equity of approximately RMB102,407,000 (2014: RMB72,022,000).

- As at 31 December 2015, the Group had non-controlling interests of approximately RMB3,337,000 (2014: RMB4,405,000).

- As at 31 December 2015, the Group had a gearing ratio (i.e. the ratio of total liabilities to total assets) of approximately 9.30% (2014: 17.48%).

- As at 31 December 2015, the Group had a net current ratio (i.e. the ratio of current liabilities to current assets) of approximately 9.41% (2014: 17.85%).

- 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 2015, none of the Group's assets were pledged (2014: 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 2015, bank balance of approximately RMB2,075,000 (2014: RMB1,378,000) was frozen by Hangzhou Arbitration Commission (the "**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. Subsequent to the end of the reporting period, on 20 January 2016, the Commission handed down the final judgement that the claims were dismissed from both parties and that no compensation is required from each other and, on 27 January 2016, the frozen bank balance of approximately RMB2,075,000 was released upon the judgement handed by the Commission.

CAPITAL STRUCTURE

2014 proposed placing of new overseas listed foreign invested shares (the "H Shares")

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 "**2014 Proposed Placing**"). The 2014 Proposed Placing had been approved by the shareholders of the Company in their extraordinary general meeting and class meetings held on 25 April 2014 and then the China Securities Regulatory Commission（中國證券監督管理委員會）on 8 December 2014. Subsequently, the long stop date of the original placing agreement was extended to 24 April 2015 by two supplemental agreements (together with the original placing agreement, the "**2014 Placing Agreements**"). Due to the fact that placees could not be located by the placing agent pursuant to the 2014 Placing Agreements, the 2014 Placing Agreements had lapsed on 24 April 2015 and the 2014 Proposed Placing will not proceed. Details of the lapse of the 2014 Placing Agreements are set out in the announcement of the Company dated 24 April 2015.

2015 placing of new H Shares

On 9 September 2015, the Company entered into a placing agreement with another new placing manager, pursuant to which the new placing manager 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 "**2015 Placing**"). The 2015 Placing was approved by the shareholders of the Company in their extraordinary general meeting and class meetings held on 23 November 2015 and was completed on 1 December 2015. Details of the 2015 Placing are set out in the announcements of the Company dated 9 September 2015, 30 September 2015, 16 November 2015, 23 November 2015 and 1 December 2015 and the circular of the Company dated 30 September 2015. As a result of the 2015 Placing, the registered capital of the Company was increased to RMB50,654,617, comprising 244,421,170 domestic shares of nominal value of RMB0.10 each and 262,125,000 H Shares of nominal value of RMB0.10 each, at the end of the reporting period.

EVENT AFTER THE REPORTING PERIOD

Save as the dismissal of claims under the Arbitration Application by the Commission and the release of frozen bank balance of approximately RMB2,075,000 as described in the sub-section headed "Contingent Liability" above, there was no significant event after the reporting period.

FUTURE PROSPECTS

1. Orders in hand/Status in sales contract

During the year, 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 encompasses the development in the industry application of mobile Internet (including "Internet+"business platform and O2O community service, etc), which is still at development stage and is not officially launched for commercial use.

2. Prospects of new business and new products

Due to the improvement of the financial structure of the Group, capital guarantee was provided for the new business development and new product development. The Group's reorganising and reforming of its business structure becomes possible, including expanding the development on existing product line, enhancing mobile Internetization of the product for in-depth industry application while actively seeking new business direction.

AUDIT COMMITTEE

The annual results of the Group for the year ended 31 December 2015 have been reviewed and approved by the Company's audit committee.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditors, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited 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 (HK) CPA Limited on the 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 2015.

CORPORATE GOVERNANCE

During the year ended 31 December 2015, 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 Ping 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.

On behalf of the Board
Zheda Lande Scitech Limited*
Chen Ping
Chairman

Hangzhou City, the PRC, 22 March 2016

** 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.