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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)

**SUPPLEMENTAL ANNOUNCEMENT
TO THE FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED
31 DECEMBER 2015**

Reference is made to the final results announcement of Zheda Lande Scitech Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 22 March 2016 (the “**2015 Final Results Announcement**”) in respect of the final results of the Group for the year ended 31 December 2015. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2015 Final Results Announcement.

Further to the information as set out in the section headed “Management Discussion and Analysis” of the 2015 Final Results Announcement, the Company would like to provide the following additional information on certain aspects of the Group’s results and financial position for the year ended 31 December 2015.

Bank balances and cash

On page 16 of the 2015 Final Results Announcement, it was disclosed under the paragraph headed “Financial positions” that the Group had total bank balances and cash of approximately RMB106,661,000 as at 31 December 2015. The Company would like to provide further information on the total bank balances and cash of the Group as at 31 December 2015 as follows:–

	As at 31 December 2015 (RMB'000)
Bank balances and cash	106,661
Total assets	116,591
Cash to total assets ratio	91.48%
Net assets	105,744
Cash to net assets ratio	100.87%

As disclosed in the interim results announcement and the interim report of the Company both dated 7 August 2015 in respect of the interim results of the Group for the six months ended 30 June 2015, the Group had total bank balances and cash of approximately RMB10,605,000 as at 30 June 2015.

The total bank balances and cash of the Group in the amount of RMB106,661,000 as at 31 December 2015 represented an increase of approximately 905.76% as compared to the total bank balances and cash of the Group in the amount of RMB10,605,000 as at 30 June 2015. Such increment in total bank balances and cash of approximately RMB96,056,000 during the six months ended 31 December 2015 was attributable mainly to (i) the net proceeds of approximately RMB39,766,000 (equivalent to approximately HK\$47,516,000) from the 2015 Placing completed in December 2015 and (ii) the recovery of certain prepayments and non-trade receivables of approximately RMB63,000,000, after netting off the expenses paid by the Group for its daily operations of approximately RMB7,600,000, the details of which are as follows:

- (i) On 1 December 2015, the Company completed the 2015 Placing of 150,000,000 new H Shares at HK\$0.32 each to four placees who are independent from the Company and its connected persons (as defined under the GEM Listing Rules). The net proceeds from the 2015 Placing are approximately RMB39,766,000 (equivalent to approximately HK\$47,516,000). For details, please refer to the paragraph headed “Capital Structure” – “2015 placing of new H Shares” in the 2015 Final Results Announcement and 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.

- (ii) The prepayments and non-trade receivables of approximately RMB63,000,000 comprise non-trade receivables from independent third parties and sums paid by the Company in relation to business cooperation for O2O business. Since the beginning of 2015, the Company has targeted to strengthen its financial structure and improve its cash flows so as to prepare for expansion of its businesses when opportunities arise in the future. In implementing such target, the Company completed the 2015 Placing within the year and took measures to recover non-trade receivables including but not limited to setting up recovery teams and negotiating with the relevant debtors regarding the repayment schedules. Incentives are provided to the management by including successful recovery of non-trade receivable as one of their key performance indicators for 2015.
- (iii) The Group paid expenses for its daily operations in the sum of approximately RMB7,600,000 during the six months ended 31 December 2015.

Use of net proceeds raised from the 2015 Placing

On page 18 of the 2015 Final Results Announcement, it was disclosed under the paragraph headed “Capital Structure” – “2015 placing of new H Shares” that completion of the 2015 Placing took place on 1 December 2015. The Company would like to add that the net proceeds of approximately RMB39,766,000 (equivalent to approximately HK\$47,516,000) raised from the 2015 Placing has not been utilised as at the date of this announcement.

Intended use of the bank balances and cash of the Group (including the net proceeds raised from the 2015 Placing)

As at 29 February 2016, the Group had total bank balances and cash in the amount of approximately RMB101,178,000, a summary of the intended uses thereof is set out in the following table:

No.	Nature of projects	Activities	Intended amount to be used	Progress
1.	Investments in research and development in relation to telecommunication solutions and telecommunication value-added services, developing data mining technologies and online business and its application or marketing platform, creating business platforms for corporate mobile Internet, with a view to transforming towards “Internet +”.	<p>a. Currently, the product design prototype for the business platform is completed.</p> <p>b. Currently, the products are still undergoing the research and development stage.</p> <p>c. The new product innovation centre is set up, but the establishment of the new research and development centre is still in progress due to the lack of core manpower.</p> <p>d. The Group intends to further recruit more technology and product manager with high-end talents.</p>	<p>a. RMB3,000,000 for setting up the research and development centre. (Source of funding: net proceeds from the 2015 Placing.)</p> <p>b. RMB2,000,000 for setting up the new product innovation centre. (Source of funding: net proceeds from the 2015 Placing.)</p> <p>c. RMB2,000,000 for recruiting technical and product operations personnel and formulation of talent programme. (Source of funding: internal resources.)</p> <p>d. RMB20,000,000 for operation of the business platform for enterprises and market development, including but not limited to the cost for locating customers, marketing and advertising expenses. (Source of funding: internal resources.)</p>	<p>a. The trial version of business platform is expected to be completed in the third quarter of 2016 (which was originally expected to be completed in the first quarter of 2016).</p> <p>b. The new research and development centre is expected to be established in the third quarter of 2016.</p> <p>c. The Group will strive to officially launch the business platform by the end of 2016 (which was originally expected to be launched by June 2016).</p> <p>d. The marketing and operation of the business platform will be mainly performed in the first half of 2017.</p>

No.	Nature of projects	Activities	Intended amount to be used	Progress
2.	Expansion of the Group's business network and markets in respect of its business in the provision of telecommunication solutions and telecommunication value-added services in the PRC; development of mobile Internet industry services.	<p>a. Development of community O2O business.</p> <p>b. Expansion of marketing and sales personnel of existing products.</p> <p>c. Setting up of representative offices in Jiangxi Province, Anhui Province and Fujian Province.</p>	Apart from technology research and development, the Group intends to invest RMB6,000,000 in this regard. (Source of funding: net proceeds from the 2015 Placing.)	During the year 2015, Internet O2O business experienced setbacks, and the market raised doubt towards the O2O business due to the huge gap between the offline promotion cost and the expected outcome. Given the increasing uncertainty in the future, the Company, from a prudent perspective, may delay the progress of using the net proceeds from the 2015 Placing in the O2O business, and decided to further review such business accordingly.
3.	Future investments	The Group intends to invest in potential assets and projects in relation to the Group's existing business in providing telecommunication solutions and telecommunication value-added services and transformation towards the mobile "Internet +".	The original investment plan was to invest RMB10,000,000, and the Group intends to further invest RMB30,000,000, part of which can be allocated from the O2O plan, subject to the actual circumstances. (Source of funding: net proceeds from the 2015 Placing and internal resources.)	<p>a. Since the core business of the Group is not prominent, the development of such business is slow and is filled with uncertainties, the Group will be continuously seeking new business opportunities to merge and acquire mature upstream and downstream industrial extension projects to speed up the Group's transition.</p> <p>b. Merger and acquisition, and investment on teams with a promising future.</p>
4.	General working capital	<p>a. Procurement of office equipment</p> <p>b. Rental payments</p> <p>c. Cost for maintaining the Company as a listed company on the GEM</p> <p>d. Administrative expenses</p> <p>e. Reserves</p>	RMB21,000,000 (Source of funding: net proceeds from the 2015 Placing.)	Remain unchanged with the original plan.

No.	Nature of projects	Activities	Intended amount to be used	Progress
5.	The Group currently has not identified any specific purpose for using the remaining balance of approximately RMB13,178,000.			
			Total: Approximately RMB101,178,000	

The Company will publish further announcement(s) to inform the shareholders of any update information or adjustment to the intended uses of the Group's bank balances and cash as set out in the above table.

Details of the above additional information in relation to the results and financial position of the Group are also set out in the annual report of the Company for the year ended 31 December 2015 despatched to the shareholders of the Company on 31 March 2016.

GENERAL

The additional information set out in this announcement does not affect other information contained in the 2015 Final Results Announcement and, save as disclosed in this announcement, the content of the 2015 Final Results Announcement remain unchanged.

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

Hangzhou City, the PRC, 31 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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief: (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.

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.