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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)

**ANNOUNCEMENT
PLACING OF NEW H SHARES AND
PROPOSED SPECIFIC MANDATE TO ISSUE NEW H SHARES AND
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

Financial Advisor



China Everbright Capital Limited

Placing Agent



Pinestone Securities Limited

On 22 January, 2014, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to place, during the Placing Period, on a best effort basis, the Placing Shares comprising up to 150,000,000 New H Shares at the Placing Price, on behalf of the Company to the Placees who will be Independent Third Parties. The Placing Shares are to be issued under the proposed Specific Mandate to be sought at the EGM and the Class Meetings.

The issue of the New H Shares pursuant to the Placing Agreement is subject to, among other things, the approval by the Shareholders at the EGM and the Class Meetings by poll, the obtaining of the necessary approvals from the relevant PRC regulatory authorities, including the CSRC's approval for the issue of the New H Shares and the Stock Exchange granting the listing of and permission to deal in the Placing Shares. As at the date of this announcement, the Company has not made the relevant application to the CSRC for approval of the issue of the New H Shares.

The Directors intend to use the net proceeds from the Placing as general working capital of the Group. The proposed issue of the New H Shares pursuant to the Placing, if proceeded with, will also enlarge the shareholder and capital bases of the Company and strengthen the financial position of the Group.

The Articles of the Company will be amended subject to the Shareholders' approval at the EGM and Class Meetings, to reflect the changes in the number of the issued H Shares pursuant to the proposed issue of the New H Shares.

Shareholders and potential investors should note that the proposed Placing and the proposed Specific Mandate may or may not be approved by the Shareholders at the EGM and the Class Meetings. Even if the proposed Placing and the proposed Specific Mandate are approved and granted to the Board, the Placing may or may not proceed as the completion of the Placing is subject to fulfillment of the terms and conditions of the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the H Shares.

The EGM and Class Meetings will be convened and held for the purposes of considering and, if thought fit, approving, among other things, the Placing and the Specific Mandate to issue the Placing Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement and therefore, none of the Shareholders is required to be abstained from voting at the EGM or the Class Meetings in respect of the resolution(s) relating to the Placing and the Specific Mandate.

THE PLACING AGREEMENT

Date

22 January 2014 (after trading hours)

Parties

- (1) Issuer: The Company
- (2) Placing Agent: Pinestone Securities Limited, who and whose ultimate beneficial owners are Independent Third Parties.

A placing commission of 3% of the amount which is equal to the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent in accordance with the Placing Agreement during the Placing Period will be payable by the Company to the Placing Agent. The Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with

reference to, among other things, the prevailing market rate of placing commission and the size and scale of the Placing.

Number of Placing Shares

The maximum number of Placing Shares of up to 150,000,000 New H Shares representing approximately 133.78% of the existing issued H Shares in the share capital of the Company and 42.07% of the total issued share capital of the Company as at the date of this announcement.

Placing Price

Under the Placing Agreement, the Placing Price shall be a price determined and agreed by the Company and the Placing Agent and representing up to 20% discount of the 20 days trading average price closing prior to and including the date of the Board Meeting.

For illustrative purpose only, assuming the Placing Price is approximately HK\$0.27 (being the 20% discounted price of the 20 days trading average closing price prior to and including the date of the Board Meeting), it represents a discount of approximately 15.63% to the consolidated net asset value of approximately RMB0.25 (equivalent to approximately HK\$0.32) per Share based on the audited consolidated accounts of the Company for the year ended 31 December 2012.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing, including the Placing Price and the placing commission, are fair and reasonable based on the current market condition and that the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed to not less than six Placees who will be independent individual, corporate and/or institutional investors, and will be Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, and/or if the total number of the Placees is less than six, further announcement will be made by the Company.

Conditions to the Placing

The completion of the Placing will be conditional upon, inter alia:

- (a) the grant of the proposed Specific Mandate by the Shareholders to the Board having been obtained at the EGM and the Class Meetings;

- (b) the approval of the proposed issue of the New H Shares pursuant to the proposed Specific Mandate by the CSRC;
- (c) the Placing Agreement not being terminated in accordance with its terms (or otherwise as may be agreed between the relevant parties); and
- (d) the Stock Exchange granting listing of, and permission to deal in, all of the Placing Shares pursuant to the Placing.

In the event that any of the conditions above are not fulfilled on or before 21 January 2015 or such later date as the parties may agree in writing, the Placing will lapse and neither of the parties shall have any claim against the other in respect of the Placing.

Completion of the Placing

Completion of the Placing will take place on the fifth Business Day following the fulfillment of all the conditions of the Placing (or such other date as agreed by the parties to the Placing Agreement in writing).

Termination

The Placing Agent may terminate the Placing Agreement, after consultation with the Company, upon the occurrence of, inter alia, the following force majeure events by giving written notice at any time prior to 8:00 a.m. (Hong Kong time) on the date of completion of the Placing:

- (1) there is any significant change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any material breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this Announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement at any time up to 8:00 a.m. on the date of completion of the Placing if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Ranking of the Placing Shares under the proposed Specific Mandate

The Placing Shares, when allotted and issued, will rank pari passu in all respects with the H Shares then in issue.

SPECIFIC MANDATE AND APPROVAL OF CSRC TO ISSUE THE PLACING SHARES

The issue of the Placing Shares pursuant to the proposed Specific Mandate is subject to, among other things, the approval by the Shareholders at the EGM and the Class Meetings by poll, the obtaining of the necessary approvals from the relevant PRC regulatory authorities, including the CSRC's approval for the issue of the New H Shares.

As at the date of this announcement, the Company has not made the relevant application to the CSRC for approval of the issue of the New H Shares.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

There has not been any equity fund raising activity of the Company in the 12 months preceding the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement up to the date of the issue of Placing Shares, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the issue of 150,000,000 Placing Shares will be as follows:

Class of Shares	As at the date of this announcement		Immediately after the issue of the 150,000,000 Placing Shares pursuant to the Specific Mandate	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Domestic Shares	244,421,170	68.55	244,421,170	48.25
Insigma Technology Co. Ltd.* (浙大網新科技股份有限公司)	81,802,637	22.94	81,802,637	16.15
Chen Ping	36,392,320	10.21	36,392,320	7.18
Shanghai Longtail Investment Management Co. Ltd.* (上海長尾投資管理有限公司)	34,117,808	9.57	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	9.57	34,117,800	6.74
Hangzhou Gongjia Information Technology Company Limited* (杭州共佳信息技術有限公司)	33,961,432	9.53	33,961,432	6.70
Wang Lei Bo	7,505,910	2.10	7,505,910	1.48
Chen Guo Cai	5,311,473	1.49	5,311,473	1.05
Wang Jin Cheng	5,000,000	1.40	5,000,000	0.99
Jin Lian Fu	3,411,790	0.96	3,411,790	0.67
Huo Zhong Hui	2,800,000	0.78	2,800,000	0.55
H Shares	112,125,000	31.45	262,125,000	51.75
Fong For	21,735,000	6.10	21,735,000	4.29
Other public holders	90,390,000	25.35	90,390,000	17.85
Placees	—	—	150,000,000	29.61
Total	356,546,170	100	506,546,170	100

As at the date of this announcement, there is no outstanding option, warrant or other instrument convertible or exchangeable into the Shares.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of and permission to deal in the Placing Shares, being up to 150,000,000 New H Shares to be issued pursuant to the proposed Placing and the proposed Specific Mandate, on the GEM.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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

For illustrative purpose only, assuming the Placing Price is approximately HK0.27 and all 150,000,000 New H Shares under the Specific Mandate are issued and successfully placed, the gross proceeds of the Placing will amount to approximately HK\$40,500,000. The net proceeds from the Placing, after the deduction of the Placing commission and other related expenses, are estimated to be approximately HK\$38,000,000.

The Directors intend to use the entire net proceeds from the Placing as general working capital of the Group.

The proposed issue of the New H Shares pursuant to the Placing, if proceeded with, will also enlarge the shareholder and capital bases of the Company and strengthen the financial position of the Group.

PROPOSED AMENDMENTS TO THE ARTICLES

The existing capital structure of the Company is set out in the Articles. The provisions in the Articles concerning the capital structure of the Company are as follows:

1. Article 21 sets out the total issued share capital of the Company and the respective number of the Domestic Shares and the H Shares;
2. Article 22 sets out the capital structure of the Company; and
3. Article 25 sets out the registered capital of the Company.

The capital structure of the Company will be altered upon completion of the proposed issue of New H Shares pursuant to the Placing.

Accordingly, the Directors will seek from the Shareholders at the EGM and the Class Meetings the approval and authority to amend the Articles to reflect the new capital structure of the Company as a result of the number of New H Shares to be issued under the Placing.

Subject to obtaining the approval and authority to make the proposed amendments to the Articles as described above, the Directors will amend the Articles accordingly.

GENERAL

The Placing will be subject to Shareholders' approval. The EGM and Class Meetings will be convened and held for the purposes of considering and, if thought fit, approving, among other things, the Placing and the Specific Mandate to issue the Placing Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement and therefore, none of the Shareholders is required to be abstained from voting at the EGM or the Class Meetings in respect of the resolution(s) relating to the Placing and the Specific Mandate.

A circular, containing further details of, among other things, the Placing and the proposed Specific Mandate and a notice to convene the EGM and Class Meetings will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Articles”	the Articles of Association of the Company
“Board”	the board of Directors
“Board Meeting”	the meeting of the Board held on 22 January 2014 approving the Placing and transactions contemplated thereunder
“Business Day”	any date (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours

“Class Meetings”	the respective class meetings of the holders of H Shares and holders of Domestic Shares to be convened and held for the purposes of approving, among other things, the proposed Specific Mandate and the Placing
“Company”	Zheda Lande Scitech Limited* (浙江浙大網新蘭德科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the GEM (Stock code: 8106)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) of nominal value of RMB0.10 each in the share capital of the Company which are subscribed for or credited as paid up in RMB
“EGM”	the extraordinary general meeting of the holders of Domestic Shares and holders of H Shares of the Company to be convened and held for the purpose of approving, among other things, the proposed Specific Mandate and the Placing
“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
“H Share(s)”	the overseas listed foreign invested share(s) of nominal value of RMB0.10 each in the share capital of the Company, which are subscribed for and traded in HK\$ and are listed on the GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party or parties who/which are independent of and not connected with any of the directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates as defined in the GEM Listing Rules
“New H Share(s)”	the new H Shares proposed to be issued and allotted under the Specific Mandate

“Placee(s)”	any professional institutional and/or individual or corporate investors and is independent of and not connected with the Company, Directors, chief executive, and substantial shareholders of the Company and its subsidiaries or any of their respective associates, and not acting in concert with any of the substantial shareholders of the Company, procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 150,000,000 New H Shares to be allotted and issued pursuant to the proposed Specific Mandate to be granted by the Shareholders and pursuant to the terms of the Placing Agreement
“Placing Agent”	Pinestone Securities Limited
“Placing Agreement”	the conditional placing agreement dated 22 January 2014 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period of 180 Business Days after the Company has obtained all necessary PRC regulatory approval for the Placing, being the approval from CSRC, as well as the Specific Mandate and approval by the Board
“Placing Price”	the subscription price for each Placing Share, being a price representing up to 20% discount of the 20 days trading average price prior to and including the day of the Board Meeting
“Placing Shares”	up to 150,000,000 New H Shares to be allotted and issued and to be placed by the Placing Agent pursuant to the terms and conditions of the Placing Agreement
“PRC”	The People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	the Domestic Shares and the H Shares
“Shareholders”	holders of the Domestic Shares and the H Shares
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Shareholders at the EGM and Class Meetings to issue up to 150,000,000 New H Shares at any time during the period specified in the relevant resolution(s) set out in the notices of EGM and Class Meetings

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.28. Such rate is for the purpose of illustration only and does not constitute a representation that any amount in question in RMB or HK\$ has been or could have been or may be converted at such or another rate or at all.

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

Hangzhou, the PRC, 22 January 2014

* 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.