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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

(1) DISCLOSEABLE TRANSACTION – DISPOSAL OF EQUITY INTEREST IN ZHEJIANG LANDE ZONGHENG INTERNET TECHNOLOGY COMPANY LIMITED*; AND (2) CHANGE OF EXECUTIVE DIRECTOR

(1) DISCLOSEABLE TRANSACTION – DISPOSAL OF EQUITY INTEREST IN LANDE ZONGHENG

The Company announces that on 21 December 2012, the Company (as vendor) entered into the Equity Transfer Agreement with Hangzhou Songjie (as purchaser) whereby the Company has conditionally agreed to sell and Hangzhou Songjie has conditionally agreed to purchase from the Company 20% equity interest in Lande Zongheng at a consideration of RMB3,500,000 (equivalent to approximately HK\$4,340,000).

Upon completion of the Disposal, the Company will no longer have any interest in Lande Zongheng and Lande Zongheng will cease to be an associated company of the Company.

Since the relevant applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

(2) CHANGE OF EXECUTIVE DIRECTOR

The Board announces that Mr. Jin Lian Fu resigned as an executive Director and a vice president of the Company with effect from 21 December 2012. Mr. Jin will however remain as a director and the legal representative of Zhejiang Lanchuang, a non wholly-owned subsidiary of the Company.

The Board further announces that Mr. Wang Yong Gui was appointed as an executive Director with effect from 21 December 2012.

(1) EQUITY TRANSFER AGREEMENT

Set out below is a summary of the major terms of the Equity Transfer Agreement:

Date

21 December 2012 (after trading hours)

Parties

- (i) the Company; and
- (ii) Hangzhou Songjie

Hangzhou Songjie and its ultimate beneficial owners, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are Independent Third Parties of the Company.

Major terms

The Company has conditionally agreed to sell and Hangzhou Songjie has conditionally agreed to purchase from the Company 20% equity interest in Lande Zongheng. As at the date of this announcement, Lande Zongheng is an associated company of the Company in which the Company held 20% equity interest. Upon completion of the Disposal, the Company will no longer have any interest in Lande Zongheng and Lande Zongheng will cease to be an associated company of the Company.

Completion of the Disposal shall take place within thirty (30) days after the date on which the following conditions precedent have been fulfilled:

- (a) the shareholders of Lande Zongheng approving the Disposal in a general meeting;
- (b) each of the other equity holders of Lande Zongheng issuing a letter of undertaking stipulating that he/she/it consents to waive his/her/its respective pre-emptive rights in relation to the Disposal; and
- (c) the Equity Transfer Agreement having been duly signed and sealed by the parties thereto and have come into effect.

Consideration

The consideration for the Disposal is RMB3,500,000 (equivalent to approximately HK\$4,340,000), which was determined after arm's length negotiations between the Company and Hangzhou Songjie with reference to 20% of the audited net asset value of Lande Zongheng as prepared in accordance with the PRC GAAP that amounted to approximately RMB17,794,000 (equivalent to approximately HK\$22,065,000) as at 31 December 2011 and Lande Zongheng's operations condition.

The consideration for the Disposal payable by Hangzhou Songjie to the Company shall be satisfied in two instalments as follows:

- (i) the sum of RMB1,750,000 (approximately HK\$2,170,000) shall be paid to the Company in cash within fifteen (15) days upon signing of the Equity Transfer Agreement; and
- (ii) the remaining balance of the consideration (i.e. RMB1,750,000 (approximately HK\$2,170,000)) shall be paid in cash upon completion of the registration procedures of the equity transfer with the administrative authorities of industry and commerce.

Information about Lande Zongheng

Lande Zongheng is a limited liability company incorporated in the PRC. It principally engages in the development of computer software, the provision of technical services in relation to internet technologies and other related products, system integration of computer networks, artificial intelligent systems for buildings, cable connectivity, security monitor, network security, as well as the sales of computer hardware and software. The audited net asset value of Lande Zongheng as at 31 December 2011, prepared in accordance with the PRC GAAP, was approximately RMB17,794,000 (equivalent to approximately HK\$22,065,000).

For the years ended 31 December 2010 and 31 December 2011, the audited net profit (before taxation and extraordinary items) of Lande Zongheng prepared under the PRC GAAP was approximately RMB2,495,000 (equivalent to approximately HK\$3,094,000) and approximately RMB1,295,000 (equivalent to approximately HK\$1,606,000), respectively.

For the years ended 31 December 2010 and 31 December 2011, the audited net profit (after taxation and extraordinary items) of Lande Zongheng prepared under the PRC GAAP was approximately RMB2,462,000 (equivalent to approximately HK\$3,053,000) and approximately RMB1,295,000 (equivalent to approximately HK\$1,606,000), respectively.

Information about Hangzhou Songjie

Hangzhou Songjie is a limited liability company incorporated in the PRC and is mainly engaged in computer hardware and software development, technological consultation, and provision of technical services.

Information about the Company

The Company is a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the GEM. 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.

Reasons for and benefits of entering into the Equity Transfer Agreement

Lande Zongheng is engaged in the development and maintenance of information management system for telecommunication operators since its inception. However, having taken into account of (i) the current market uncertainties faced by Lande Zongheng; (ii) the increase of Lande Zongheng's operational cost in recent years; and (iii) the fact that the business of Lande Zongheng is not in line with the Group's strategic core businesses and in particular, the value-added business of the Group, the Board is of the view that the Company's disposal of the remaining equity interest in Lande Zongheng will reduce both financial and operating risks faced by the Company and the Disposal is in the interests of the Company and the Shareholders as a whole.

Because the Company previously disposed of 31% equity interest in Lande Zongheng pursuant to the sale and purchase agreement entered into with Hangzhou Songjie on 15 June 2009, Lande Zongheng ceased to be a subsidiary of the Company in 2009.

It is expected that the Company will record a loss of approximately RMB59,000 (equivalent to approximately HK\$73,000) which is calculated with reference to (i) the consideration of the Disposal and (ii) 20% of the audited net asset value of Lande Zongheng as prepared in accordance with the PRC GAAP, or approximately RMB17,794,000 (equivalent to approximately HK\$22,065,000) as at 31 December 2011.

The net proceeds from the the Disposal are expected to be applied for the general working capital of the Group.

The Directors consider the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules implications

Since the relevant applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

(2) CHANGE OF EXECUTIVE DIRECTOR

Resignation of Mr. Jin Lian Fu

The Board announces that Mr. Jin Lian Fu ("Mr. Jin") resigned as an executive Director and a vice president of the Company with effect from 21 December 2012. Mr. Jin will however remain as a director and the legal representative of Zhejiang Lanchuang, a non-wholly owned subsidiary of the Company.

Mr. Jin has confirmed that he has no disagreement with the Board and there is no other matter that needs to be drawn to the attention of the Shareholders in relation to his resignation.

The Company would like to take this opportunity to express its sincere gratitude to Mr. Jin for his valuable contribution to the Company during his tenure of service as an executive Director and the vice president of the Company.

Appointment of Mr. Wang Yong Gui

The Company further announces that Mr. Wang Yong Gui (“Mr. Wang”) was appointed as an executive Director with effect from 21 December 2012.

Mr. Wang, aged 38, is the secretary to the Board and vice president of the Company. He graduated from the School of Economics and Management of the Shenyang University of Technology* (瀋陽工業大學) with a bachelor degree in international finance. He has abundant experience in corporate governance of listed companies and investment and financing. Mr. Wang served in the securities department of Wafangdian Bearing Company Limited* (瓦房店軸承有限公司). Mr. Wang joined the Company in July 2002.

The Company entered into a service contract with Mr. Wang for a term with effect from 21 December 2012 until the conclusion of the next annual general meeting. His remuneration as an executive Director is RMB20,000 per annum, which is determined based on the Company’s remuneration policy for executive Directors and with reference to his workload and responsibilities.

Mr. Wang does not have, and is not deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, Mr. Wang does not hold any other position in the Group nor any directorship in other public companies in the last three years.

Save as disclosed above, Mr. Wang has no relationship with any Directors, supervisors, senior management, substantial or controlling Shareholders of the Company. There is no information relating to Mr. Wang that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed above, there is no other matter in relation to the appointment of Mr. Wang that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its warmest welcome to Mr. Wang in joining the Board.

DEFINITIONS

In this announcement, the following expressions shall have the following meaning unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Zheda Lande Scitech Limited* (浙江浙大網新蘭德科技股份有限公司) is a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed on the GEM;
“Director(s)”	the director(s) of the Company;

“Disposal”	the disposal of 20% of the equity interest in Lande Zongheng by the Company to Hangzhou Songjie pursuant to the terms of the Equity Transfer Agreement;
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and Hangzhou Songjie on 21 December 2012 in relation to the Disposal;
“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;
“Hangzhou Songjie”	Hangzhou Songjie Information Technology Company Limited* (杭州頌傑信息技術有限公司) a limited liability company incorporated in the PRC, which is an Independent Third Party of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“H Shares”	the overseas listed foreign invested shares of nominal value RMB0.10 each in the share capital of the Company, which are subscribed for and traded in Hong Kong dollars;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“PRC GAAP”	accounting principles generally accepted in PRC;
“Independent Third Party(ies)”	to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, any person who is not connected to any Director, supervisor, chief executive, substantial Shareholder or management Shareholder (both as defined in the GEM Listing Rules) of the Company or its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules), nor a connected person (as defined in the GEM Listing Rules);
“Lande Zongheng”	Zhejiang Lande Zongheng Internet Technology Company Limited* (浙江蘭德縱橫網絡技術有限公司), a limited liability company incorporated in the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Zhejiang Lanchuang”

Zhejiang Lanchuang Information Co. Ltd.* (浙江蘭創通信有限公司), a subsidiary of the Company in which 85% of its equity interest is held by the Company; and

%

per cent.

For and on behalf of the Board
Zheda Lande Scitech Limited*
Chen Ping
Chairman

Hangzhou City, PRC, 21 December 2012

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\$1.24. 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.

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 enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and 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 and the Company’s website at <http://www.landpage.com.cn> for at least 7 days from the day of its posting.

* For identification purposes only