ZDLD 浙大蘭德

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)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION INVOLVING THE TRANSFER OF THE EXCLUSIVE RIGHT TO PURCHASE EQUITY INTEREST IN ZHEJIANG SICHUANG AND TERMINATION OF THE SICHUANG STRUCTURE CONTRACTS AND MAJOR TRANSACTION AND CONNECTED TRANSACTION INVOLVING THE DISPOSAL OF 31% EQUITY INTEREST IN LANDE ZONGHENG AND MAJOR TRANSACTION INVOLVING THE ACQUISITION OF 100% EQUITY INTEREST IN HANGZHOU HUAGUANG

TRANSFER OF THE EXCLUSIVE RIGHT TO PURCHASE EQUITY INTEREST IN ZHEJIANG SICHUANG AND TERMINATION OF THE SICHUANG STRUCTURE CONTRACTS

Transfer of the exclusive right to purchase 90% equity interest in Zhejiang Sichuang

Reference is made to the announcement of the Company dated 11 December 2006 in relation to, among other matters, the entering into of the Sichuang Structure Contracts.

The Board hereby announces that on 15 June 2009, the Company exercised the exclusive right to purchase under the Sichuang Exclusive Right to Purchase Contract by serving an exercise notice to Zhejiang Sichuang and Zhejiang Sichuang (Shareholders). On the same day, the Company entered into the Rights Transfer Agreement with Hangzhou Fanhua, an Independent Third Party, whereby the Company appointed Hangzhou Fanhua as its designee to acquire 90% equity interest in Zhejiang Sichuang from Mr. Chen Ping in accordance with the terms of the Sichuang Exclusive Right to Purchase Contract.

In consideration of the Company's transfer of the exclusive right to purchase 90% equity interest in Zhejiang Sichuang, Hangzhou Fanhua agreed to pay the Company a cash consideration of RMB15,000,000 (equivalent to approximately HK$17,000,000). An equity transfer agreement was subsequently entered into between Hangzhou Fanhua and Mr. Chen Ping on the same date of the Rights Transfer Agreement, whereby Mr. Chen Ping agreed to transfer 90% equity interest in Zhejiang Sichuang to Hangzhou Fanhua following the Company's instruction.

Upon completion of the transactions contemplated under the Rights Transfer Agreement, the Company will cease to have control over Zhejiang Sichuang and Zhejiang Sichuang will be no longer deemed to be a subsidiary of the Company.

Since the relevant consideration ratio calculated under Rule 19.07 of the GEM Listing Rules is more than 5% but less than 25%, the entering into of the Rights Transfer Agreement constitutes a discloseable transaction of the Company under the GEM Listing Rules.

In addition, Mr. Zhou Yuxiang, who is currently the substantial shareholder of Zhejiang Sichuang, is a controller as defined under Rule 20.10(3) of the GEM Listing Rules by virtue of his directorship in Zhejiang Sichuang (a company which has been deemed to be a subsidiary of the Company under the Sichuang Structure Contracts). As such, despite the fact that the Rights Transfer Agreement was entered into between the Company and Hangzhou Fanhua (an Independent Third Party), the entering into of the Rights Transfer Agreement also constitutes a connected transaction of the Company under Rule 20.13(1)(b)(i) of the GEM Listing Rules, which will be subject to the reporting, announcement and independent shareholders' approval requirements.

The EGM will be convened for the purpose of, amongst others, seeking independent Shareholders' approval on the entering into the Rights Transfer Agreement. According to the GEM Listing Rules, no Shareholder shall abstain from voting in respect of the resolutions in connection with this transaction.

A circular containing, among others, details of the Rights Transfer Agreement, the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, and the notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

Termination of the Sichuang Structure Contracts

The Board hereby announces that on 15 June 2009, the Company entered into the Termination Agreement with Zhejiang Sichuang and Zhejiang Sichuang (Shareholders), pursuant to which, amongst others, all constituent contracts and documents of the Sichuang Structure Contracts will be terminated and cease to have any effect on the date of the Termination Agreement.

DISPOSAL OF 31% EQUITY INTEREST IN LANDE ZONGHENG

The Board announces that on 15 June 2009, the Company and Hangzhou Songjie (an Independent Third Party) entered into the SPA (Zongheng), whereby the Company agreed to sell and Hangzhou Songjie agreed to purchase 31% equity interest in Lande Zongheng for a cash consideration of RMB2,600,000 (equivalent to approximately HK$2,950,000).

On 13 September 2008, the Company disposed of 9% equity interest in Lande Zongheng to Mr. Chen Wei for a cash consideration of RMB0.7 million (or approximately HK$790,000). Mr. Chen Wei was a connected person of the Company under the GEM Listing Rules by virtue of being the then substantial shareholder of Lande Zongheng. The Zongheng Disposal (9%) was completed in October 2008. As each of the then applicable percentage ratios in respect of the Zongheng Disposal (9%) was less than 2.5%, the Zongheng Disposal (9%) constituted a connected transaction of the Company under the GEM Listing Rules exempt from the reporting, announcement and independent shareholders' approval requirements.

Given that both the Zongheng Disposal (9%) and the Zongheng Disposal (31%) involve the disposal of equity interest in Lande Zongheng by the Company and the completion of the Zongheng Disposal (31%) is expected to be less than 12 months after the completion of the Zongheng Disposal (9%), the Zongheng Disposal (31%) will be aggregated with the Zongheng Disposal (9%) pursuant to Rule 19.22 of the GEM Listing Rules.

As the relevant applicable percentage ratio in respect of the Zongheng Disposal (31%), on an aggregated basis, is more than 25% but less than 75%, the entering into of the SPA (Zongheng) constitutes a major transaction of the Company under the GEM Listing Rules.

In addition, Mr. Chen Wei, who is currently the substantial shareholder of Lande Zongheng, is a controller as defined under Rule 20.10(3) of the GEM Listing Rules by virtue of being the director and chief executive in Lande Zongheng (a subsidiary of the Company). As such, the Zongheng Disposal (31%) also constitutes a connected transaction of the Company under Rule 20.13(1)(b)(i) of the GEM Listing Rules, which will be subject to the reporting, announcement and independent shareholders' approval requirements.

The EGM will be convened for the purpose of, amongst others, seeking the independent Shareholders' approval on the Zongheng Disposal (31%). According to the GEM Listing Rules, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions thereof.

A circular containing, among others, details of the Zongheng Disposal (31%), the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, and the notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

ACQUISITION OF 100% EQUITY INTEREST IN HANGZHOU HUAGUANG

The Board announces that on 15 June 2009, the Company entered into the Hangzhou Huaguang (51%) Agreement with Mr. Luo An, an Independent Third Party, pursuant to which the Company agreed to purchase and Mr. Luo An agreed to sell 51% equity interest in Hangzhou Huaguang for a cash consideration of RMB5,100,000 (equivalent to approximately HK$5,800,000).

On the same date, the Company entered into the Hangzhou Huaguang (49%) Agreement with Ms. Zhang Lianghong, an Independent Third Party, pursuant to which the Company agreed to purchase and Ms. Zhang Lianghong agreed to sell 49% equity interest in Hangzhou Huaguang for a cash consideration of RMB4,900,000 (equivalent to approximately HK$5,600,000).

Given that (1) both the 51% Acquisition and the 49% Acquisition involve the acquisition of interest in Hangzhou Huaguang by the Company and (2) these two acquisitions will be completed within a 12 month period, pursuant to Rule19.22 of the GEM Listing Rules, the 51% Acquisition will be aggregated with the 49% Acquisition.

Since the relevant applicable percentage ratio in respect of the Hangzhou Huaguang Acquisition is more than 25% but less than 100%, the Hangzhou Huaguang Acquisition constitutes a major transaction of the Company under the GEM Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

The EGM will be convened for the purpose of, amongst others, seeking the Shareholders' approval on the Hangzhou Huaguang Acquisition. As none of the Shareholders has any material interest in the Hangzhou Huaguang Acquisition, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions thereof.

A circular containing, among others, further details of the Hangzhou Huaguang Acquisition and the notice of EGM, will be dispatched to the Shareholders as soon as possible in accordance with the GEM Listing Rules.

TRANSFER OF THE EXCLUSIVE RIGHT TO PURCHASE EQUITY INTEREST IN ZHEJIANG SICHUANG AND TERMINATION OF THE SICHUANG STRUCTURE CONTRACTS

Transfer of the exclusive right to purchase 90% equity interest in Zhejiang Sichuang

Background

Reference is made to the announcement of the Company dated 11 December 2006 in relation to, among other matters, the entering into of the Sichuang Structure Contracts.

Pursuant to the terms of the Sichuang Exclusive Right to Purchase Contract dated 11 December 2006, the Company was granted an exclusive right to purchase up to but not exceeding 90% equity interest in Zhejiang Sichuang at any time subject to the lifting of the restrictions under the relevant PRC laws, rules and regulations against foreign investment in PRC enterprises engaged in the Business. Alternatively, the Company may exercise the said exclusive right and designate another party to purchase the 90% equity interest in Zhejiang Sichuang.

Rights Transfer Agreement

A brief summary of the terms of the Rights Transfer Agreement are set out as follows:

Date: 15 June 2009

Parties: The Company
Hangzhou Fanhua

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

Major Terms:

Pursuant to the Rights Transfer Agreement, the Company appointed Hangzhou Fanhua as its designee, which shall acquire from Mr. Chen Ping 90% equity interest in Zhejiang Sichuang upon the Company's exercise of the exclusive right to purchase (pursuant to the Sichuang Exclusive Right to Purchase Contract) by serving an exercise notice to Zhejiang Sichuang and Zhejiang Sichuang (Shareholders).

On the same day, (i) the Company served an exercise notice to Zhejiang Sichuang and Zhejiang Sichuang (Shareholders) and confirmations of receipt thereof from all recipients were received; and (ii) Hangzhou Fanhua and Mr. Chen Ping entered into an equity transfer agreement whereby Hangzhou Fanhua agreed to purchase and Mr. Chen Ping agreed to sell 90% equity interest in Zhejiang Sichuang.

As confirmed by the PRC legal advisers of the Company, Hangzhou Fanhua is a domestic enterprise and is therefore not subject to the restriction against foreign investment in PRC enterprises which are engaged in the Business and is able to acquire 90% equity interest in Zhejiang Sichuang.

Consideration:

Hangzhou Fanhua agreed to pay the Company a cash consideration of RMB15,000,000 (approximately HK$17,000,000) as a result of the Company's disposal of the right to purchase the 90% equity interest in Zhejiang Sichuang within 30 days from the date of the Rights Transfer Agreement.

The consideration of RMB15,000,000 (approximately HK$17,000,000) was determined after arm's length negotiations with reference to the audited net asset value of Zhejiang Sichuang for the year ended 31 December 2008 prepared under the PRC GAAP of approximately RMB20,900,000 (approximately HK$23,700,000) and represents a discount of approximately 20.21% of 90% of such net asset value (approximately RMB18,800,000 (approximately HK$21,300,000)).

Upon completion of the transactions contemplated under the Rights Transfer Agreement, the Company will incur a loss of approximately RMB3,800,000 (approximately HK$4,300,000) prepared under the PRC GAAP. Such loss is calculated on the basis of the consideration of RMB15,000,000 (approximately HK$17,000,000) less the Company's 90% interest of the audited net asset value (approximately RMB18,800,000 (approximately HK$21,300,000)) prepared under the PRC GAAP, of Zhejiang Sichuang as at 31 December 2008.

Condition precedent

The completion of the Rights Transfer Agreement shall be conditional upon the obtaining the requisite approval from the independent Shareholders at the EGM in accordance with the GEM Listing Rules.

Use of the proceeds

As confirmed by the Directors, the Company intends to apply the net proceeds of RMB15,000,000 (approximately HK$17,000,000) derived from the disposal of the right to purchase 90% equity interest in Zhejiang Sichuang for the investment in development of Group's new business and/or for general working capital purposes.

Termination of the Sichuang Structure Contracts

A brief summary of the terms of the Termination Agreement are set out as follows:

Date: 15 June 2009

Parties: The Company
Zhejiang Sichuang
Zhejiang Sichuang (Shareholders)

Terms:

Pursuant to the Termination Agreement, all constituent contracts and documents of the Sichuang Structure Contracts will be terminated and cease to have any effect on the date of the Termination Agreement. No consideration will be involved in the Termination Agreement.

Information about Zhejiang Sichuang

Zhejiang Sichuang is a limited liability company incorporated in the PRC and is principally engaged in the development of the computer software, internet technology and related products, the sales of computer hardware and software, and technical services.

Prior to the completion of the Rights Transfer Agreement, Zhejiang Sichuang was 90% owned by Mr. Chen Ping and 10% by Mr. Zhou Yuxiang.

The Sichuang Structure Contracts provided the Company with effective control over and (to the extent permitted by the relevant PRC laws, rules and regulations) the right to acquire the equity interest of Zhejiang Sichuang. The arrangements under the Sichuang Structure Contracts, taken as a whole, permitted the results and financial position of Zhejiang Sichuang to be consolidated with the Company as if it was a subsidiary of the Company and that the economic benefit of the businesses of Zhejiang Sichuang and its subsidiaries flows to the Company.

Upon completion of the transactions contemplated under the Rights Transfer Agreement, the Company will cease to have control over Zhejiang Sichuang and Zhejiang Sichuang will no longer be deemed to be a subsidiary of the Company and as a result, the results and financial position of Zhejiang Sichuang will no longer be consolidated with that of the Company.

The audited net asset value of Zhejiang Sichuang as at 31 December 2008, prepared under the PRC GAAP, was approximately RMB20,900,000 (approximately HK$23,700,000).

For the years ended 31 December 2007 and 31 December 2008, the audited net loss (before taxation and extraordinary items) of Zhejiang Sichuang prepared under the PRC GAAP was approximately RMB1,760,000 (approximately HK$2,000,000) and approximately RMB5,200,000 (approximately HK$5,900,000), respectively.

For the years ended 31 December 2007 and 31 December 2008, the audited net loss (after taxation and extraordinary items) of Zhejiang Sichuang prepared under the PRC GAAP was approximately RMB1,760,000 (approximately HK$2,000,000) and approximately RMB5,200,000 (approximately HK$5,900,000), respectively.

Information about Hangzhou Fanhua

Hangzhou Fanhua is a limited liability company incorporated in the PRC and is principally engaged in development of computer software and electronic products technology, technical consultancy, transfer and sales of products, development of computer network technology, and integration of computer network.

Information about the Company

The Company is a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the GEM. The Company is principally engaged in the business of technology development and services, computer software development, internet engineering and sales of self-manufactured products.

Reasons for and Benefits of the entering into the Rights Transfer Agreement

Since the incorporation of Zhejiang Sichuang, it has engaged in sales of IBM software, development of game software and traditional value-added businesses such as SMS business. Zhejiang Sichuang's business is still limited to the traditional value-added business (such as taking up secretarial telephone answering services and sales of telephones) while the Group is starting to adjust its own developmental orientation. As such, the business of Zhejiang Sichuang is not in line with the Group's operational objectives (i.e. provision of value-added service to corporate clients).

Zhejiang Sichuang recorded audited loss of approximately RMB1,760,000 and RMB5,200,000 for the years ended 31 December 2007 and 31 December 2008 respectively. Due to the continuous losses incurred by Zhejiang Sichuang, the Board is of the view that disposal of Zhejiang Sichuang shall reduce the financial and operating risks of the Group and is in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules Implication

Since the relevant consideration ratio calculated under Rule 19.07 of the GEM Listing Rules is more than 5% but less than 25%, the entering into the Rights Transfer Agreement constitutes a discloseable transaction of the Company under the GEM Listing Rules.

In addition, Mr. Zhou Yuxiang, who is currently the substantial shareholder of Zhejiang Sichuang, is a controller as defined under Rule 20.10(3) of the GEM Listing Rules by virtue of his directorship in Zhejiang Sichuang. As such, despite the fact that the Rights Transfer Agreement was entered into between the Company and Hangzhou Fanhua (an Independent Third Party), the entering into the Rights Transfer Agreement also constitutes a connected transaction of the Company under Rule 20.13(1)(b)(i) of the GEM Listing Rules, which will be subject to the reporting, announcement and independent shareholders' approval requirements.

The EGM will be convened for the purpose of, amongst others, seeking independent Shareholders' approval on the entering into the Rights Transfer Agreement. According to the GEM Listing Rules, no Shareholder shall abstain from voting in respect of the resolutions in connection with this transaction.

The Independent Board Committee will be established to consider the terms of the Rights Transfer Agreement and advise the independent Shareholders as to whether this transaction is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the independent Shareholders in this regard.

General

The Board (excluding independent non-executive Directors who will express their opinions on the Rights Transfer Agreement after taking into account of the advice from the Independent Financial Adviser) considers that the terms of Rights Transfer Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

A circular containing, among others, details of the Rights Transfer Agreement, the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, and the notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

DISPOSAL OF 31% EQUITY INTEREST IN LANDE ZONGHENG

Background

On 13 September 2008, the Company disposed of 9% equity interest in Lande Zongheng to Mr. Chen Wei for a cash consideration of RMB700,000 (or approximately HK$790,000). Mr. Chen Wei was a connected person of the Company under the GEM Listing Rules by virtue of being the then substantial shareholder of Lande Zongheng. The Zongheng Disposal (9%) was completed in October 2008. As each of the then applicable percentage ratio in connection with the Zongheng Disposal (9%) was less than 2.5%, the Zongheng Disposal (9%) constituted a connected transaction of the Company under the GEM Listing Rules exempt from the reporting, announcement and independent shareholders' approval requirements.

The Board announces that on 15 June 2009, the Company entered into the SPA (Zongheng) with Hangzhou Songjie, whereby the Company agreed to dispose of 31% equity interest in Lande Zongheng to Hangzhou Songjie (an Independent Third Party) for a cash consideration of RMB2,600,000 (equivalent to approximately HK$2,950,000).

Upon the completion of the Zongheng Disposal (31%), the Company's equity interest in Lande Zongheng will decrease to 20% and therefore Lande Zongheng will cease to be a subsidiary of the Company.

SPA (Zongheng)

A brief summary of the terms of the SPA (Zongheng) are set out as follows:

Date: 15 June 2009

Parties: The Company
Hangzhou Songjie

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

Major Terms:

Pursuant to the SPA (Zongheng), the Company agreed to sell and Hangzhou Songjie agreed to purchase 31% equity interest in Lande Zongheng.

The completion of the Zongheng Disposal (31%) shall be conditional upon, amongst others, the following:

(1) The Company obtaining the requisite approval from the Shareholders in accordance with the GEM Listing Rules;

(2) Hangzhou Songjie passing resolutions at its board meeting and shareholders' meeting (if required) in accordance with its articles of association; and

(3) Other existing shareholders of Lande Zongheng consenting to waive their respective pre-emptive rights in connection with the equity interest to be transferred under the SPA (Zongheng).

Consideration:

The consideration for the Zongheng Disposal (31%) was RMB2,600,000 (equivalent to approximately HK$2,950,000) which was determined after arm's length negotiations with reference to the audited net asset value of Lande Zongheng for the year ended 31 December 2008 prepared under the PRC GAAP of approximately RMB7,100,000 (approximately HK$8,000,000).

The consideration for the Zongheng Disposal (31%) will be paid in cash in two installments as follows:

(1) The initial installment (RMB1,000,000) will be paid within 15 days upon the signing of the SPA (Zongheng);

(2) The remaining balance (approximately RMB1,600,000) will be fully paid up after the date when all the registration and other requisite procedures regarding the Zongheng Disposal (31%) with the relevant PRC governmental authorities are completed.

Upon completion of the Zongheng Disposal (31%), the Company is expected to incur a gain of approximately RMB400,000 (approximately HK$450,000) prepared under the PRC GAAP. Such gain is calculated on the basis of the consideration of RMB2,600,000 (approximately HK$2,950,000) less the Company's 31% interest of the audited net asset value (approximately RMB2,200,000 (approximately HK$2,500,000)) prepared under the PRC GAAP, of Lande Zongheng as at 31 December 2008.

Use of the proceeds

As confirmed by the Directors, the Company intends to apply the net proceeds of RMB2,600,000 (approximately HK$2,950,000) derived from the Zongheng Disposal (31%) for general working capital purposes.

Information about Lande Zongheng

Lande Zongheng is a limited liability company incorporated in the PRC and is principally engaged in the development and technical services of the computer software, internet technology and its products, integration of computer network, technical services of artificial intelligent building system, integration of cabling, safety supervision and network maintenance, sales of computer hardware and software.

The audited net asset value of Lande Zongheng as at 31 December 2008, prepared under the PRC GAAP, was approximately RMB7,100,000 (approximately HK$8,000,000).

For the years ended 31 December 2007 and 31 December 2008, the audited net profit (before taxation and extraordinary items) of Lande Zongheng prepared under the PRC GAAP was approximately RMB180,000 (approximately HK$200,000) and approximately RMB1,600,000 (approximately HK$1,800,000), respectively.

For the years ended 31 December 2007 and 31 December 2008, the audited net profit (after taxation and extraordinary items) of Lande Zongheng prepared under the PRC GAAP was approximately RMB180,000 (approximately HK$200,000) and approximately RMB1,550,000 (approximately HK$1,750,000), respectively.

Information about Hangzhou Songjie

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

Information about the Company

The Company is a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the GEM. The Company is principally engaged in the business of technology development and services, computer software development, internet engineering and the sales of self-manufactured products.

Reasons for and Benefits of the entering into the SPA (Zongheng)

Since the incorporation of Lande Zongheng, it has engaged in the specialized development and maintenance of information management system for telecommunication operators.

Considering (1) the market uncertainties faced by Lande Zongheng; (2) the increase of Lande Zongheng's operation cost following the market adjustment; and (3) the business of Lande Zongheng is not in line with the Group's core business (i.e. value-added business), the Board is of the view that disposal of Lande Zongheng shall reduce the financial and operating risks of the Group and is in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules Implication

Given that both the Zongheng Disposal (9%) and the Zongheng Disposal (31%) involve the disposal of equity interest in Lande Zongheng by the Company and the completion of the Zongheng Disposal (31%) is expected to be less than 12 months after the completion of the Zongheng Disposal (9%), the Zongheng Disposal (31%) will be aggregated with the Zongheng Disposal (9%) pursuant to Rule 19.22 of the GEM Listing Rules.

As the relevant applicable percentage ratio in respect of the Zongheng Disposal (31%), on an aggregated basis, is more than 25% but less than 75%, the entering into of the SPA (Zongheng) constitutes a major transaction of the Company under the GEM Listing Rules.

In addition, Mr. Chen Wei, who is currently the substantial shareholder of Lande Zongheng, is a controller as defined under Rule 20.10(3) of the GEM Listing Rules by virtue of being the director and chief executive in Lande Zongheng (a subsidiary of the Company). As such, the Zongheng Disposal (31%) also constitutes a connected transaction of the Company under Rule 20.13(1)(b)(i) of the GEM Listing Rules, which will be subject to the reporting, announcement and independent shareholders' approval requirements.

The EGM will be convened for the purpose of, amongst others, seeking the independent Shareholders' approval on the Zongheng Disposal (31%). According to the GEM Listing Rules, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions thereof.

General

Save as the Zongheng Disposal (9%), there is no prior transaction which requires aggregation with the Zongheng Disposal (31%) pursuant to Rule 19.22 of the GEM Listing Rules.

The Independent Board Committee will be established to consider the terms of the SPA (Zongheng) and advise the independent Shareholders as to whether this transaction is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the independent Shareholders in this regard.

The Board (excluding independent non-executive Directors who will express their opinions on the SPA (Zongheng) after taking into account of the advice from the Independent Financial Adviser) considers that the terms of the SPA (Zongheng) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, *inter alia*, details of the Zongheng Disposal (31%), the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, and the notice of EGM will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

ACQUISITION OF 100% EQUITY INTEREST IN HANGZHOU HUAGUANG

Background

Prior to the completion of the Hangzhou Huaguang Acquisition, Hangzhou Huaguang was 51% owned by Mr. Luo An and 49% owned by Ms. Zhang Lianghong.

(A) Hangzhou Huaguang (51%) Agreement

Date: 15 June 2009

Parties: the Company (as purchaser)
Mr. Luo An (as vendor)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Luo An is an Independent Third Party.

Asset to be acquired: 51% equity interest in Hangzhou Huaguang

Consideration

The Hangzhou Huaguang (51%) Consideration is RMB5,100,000 (equivalent to approximately HK$5,800,000), which will be paid by the Company to Mr. Luo An in cash by internal resources in two installments as follows:

(1) RMB2,000,000 (approximately HK$2,300,000) of the Hangzhou Huaguang (51%) Consideration will be paid within 15 days after the signing of the Hangzhou Huaguang (51%) Agreement;

(2) The remaining RMB3,100,000 (approximately HK$3,500,000) of the Hangzhou Huaguang (51%) Consideration will be paid upon the completion of all the registration and other requisite procedures regarding the 51% Acquisition with the relevant PRC governmental authorities.

The Hangzhou Huaguang (51%) Consideration was determined after arm's length negotiations between both parties with reference to the audited net asset value of Hangzhou Huaguang of approximately RMB10,300,000 (approximately HK$11,700,000) for the year ended 31 December 2008, prepared under the PRC GAAP and represents a discount of approximately 2.91% of 51% of such net asset value.

Conditions precedent

The completion of the 51% Acquisition shall be conditional upon, amongst others, the obtaining the requisite approval from the independent Shareholders at the EGM in accordance with the GEM Listing Rules.

Completion

Completion of the 51% Acquisition shall take place within 30 days after the fulfillment of all of conditions precedent set out in the Hangzhou Huaguang (51%) Agreement.

(B) Hangzhou Huaguang (49%) Agreement

Date: 15 June 2009

Parties: the Company (as purchaser)
Ms. Zhang Lianghong (as vendor)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Ms. Zhang Lianghong is an Independent Third Party.

Asset to be acquired: 49% equity interest in Hangzhou Huaguang

Consideration

The Hangzhou Huaguang (49%) Consideration is RMB4,900,000 (approximately HK$5,600,000), which will be paid by the Company to Ms. Zhang Lianghong in cash by internal resources in two installments as follows;

(1) RMB2,000,000 (approximately HK$2,300,000) of the Hangzhou Huaguang (49%) Consideration will be paid within 15 days after the signing of the Hangzhou Huaguang (49%) Agreement;

(2) The remaining RMB2,900,000 (approximately HK$3,300,000) of the Hangzhou Huaguang (49%) Consideration will be paid upon the completion of all the registration and other requisite procedures regarding the 49% Acquisition with the relevant PRC governmental authorities.

The Hangzhou Huaguang (49%) Consideration was determined after arm's length negotiations between both parties with reference to the audited net asset value of Hangzhou Huaguang of approximately RMB10,300,000 (approximately HK$11,700,000) for the year ended 31 December 2008, prepared under the PRC GAAP and represents a discount of approximately 2.91% of 49% of such net asset value.

Conditions precedent

The completion of the 49% Acquisition shall be conditional upon amongst others, the obtaining the requisite approval from the independent Shareholders at the EGM in accordance with the GEM Listing Rules.

Completion

Completion of the 49% Acquisition shall take place within 30 days after the fulfillment of all of conditions precedent set out in the Hangzhou Huaguang (49%) Agreement.

Information about Hangzhou Huaguang

Hangzhou Huaguang is a limited liability company incorporated in the PRC and is principally engaged in development of technology, technical services, transfers of products, computer engineering, computer software, computer and peripheral equipment, wholesale and retail, computer and accessories and electronic components.

The audited net asset value of Hangzhou Huagang for the year ended 31 December 2008, prepared under the PRC GAAP, was approximately RMB10,300,000 (equivalent to approximately HK$11,700,000).

For the years ended 31 December 2007 and 31 December 2008, the audited net profit (before taxation and extraordinary items) of Hangzhou Huagang prepared under the PRC GAAP was approximately RMB400,000 (approximately HK$450,000) and approximately RMB300,000 (approximately HK$340,000), respectively.

For the years ended 31 December 2007 and 31 December 2008, the audited net profit (after taxation and extraordinary items) of Hangzhou Huagang prepared under the PRC GAAP was approximately RMB300,000 (approximately HK$340,000) and approximately RMB280,000 (approximately HK$320,000), respectively.

Information about the Company

The Company is a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the GEM. The Company is principally engaged in the business of technology development and services, computer software development, internet engineering and sales of self-manufactured products.

Reasons for and Benefits of the Hangzhou Huaguang Acquisition

Hangzhou Huaguang is a dealer and agent for numerous brands of computers and telecommunication products, which has a good corporate client base and enjoys relatively good popularity within the industry. Hangzhou Huaguang has gradually changed its business scope in accordance with its own characteristics in the recent two years to provide information technology application services for corporate clients. The orientation of Hangzhou Huaguang's change of its business is in line with the Group's strategic developmental goals. The Directors expect that, through the Hangzhou Huaguang Acquisition, the Group's cost of sales and expenses can be greatly reduced, by making use of Hangzhou Huaguang's existing operating systems and channels to integrate with the Group's operating systems in all aspects. Furthermore, the Directors expect to make use of Hangzhou Huaguang's analysis and coordination of enterprises to integrate value-added service products and framework, so as to enhance the promotion of the Group's businesses to enterprises.

GEM Listing Rules Implication

Given that (1) both the 51% Acquisition and the 49% Acquisition involve the acquisition of interest in Hangzhou Huaguang by the Company and (2) these two acquisitions will be completed within a 12 month period, pursuant to Rule19.22 of the GEM Listing Rules, the 51% Acquisition will be aggregated with the 49% Acquisition.

Since the relevant applicable percentage ratio in respect of the Hangzhou Huaguang Acquisition is more than 25% but less than 100%, the Hangzhou Huaguang Acquisition constitutes a major transaction of the Company under the GEM Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

The EGM will be convened for the purpose of, amongst others, seeking the Shareholders' approval on the Hangzhou Huaguang Acquisition. As none of the Shareholders has any material interest in the Hangzhou Huaguang Acquisition, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions thereof.

General

The Board (including independent non-executive Directors) considers that the terms of the Hangzhou Huaguang (51%) Agreement and the terms of the Hangzhou Huaguang (49%) Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, *inter alia*, further details of the Hangzhou Huaguang Acquisition and the notice of EGM, will be dispatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

DEFINITIONS

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

"51% Acquisition"	the acquisition of 51% equity interest in Hangzhou Huaguang by the Company from Mr. Luo An pursuant to the terms and subject to the conditions set out in the Hangzhou Huaguang (51%) Agreement;

"49% Acquisition"	the acquisition of 49% equity interest in Hangzhou Huaguang by the Company from Ms. Zhang Lianghong pursuant to the terms and subject to the conditions set out in the Hangzhou Huaguang (49%) Agreement;
"Board"	the board of Directors;
"Business"	the value-added telecommunications business in the PRC, including the telecommunications and information services provided by means of public network infrastructure which improves the economic performance and functional value of the network. The value-added telecommunications services that are widely provided in the PRC include electronic mails, video text, electronic data interchange (EDI), fax store and forward, online database search and internet;
"Company"	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 under the laws of the PRC, whose H Shares are listed on the GEM;
"connected person"	connected person of the Company under Chapter 20 of the GEM Listing Rules;
"Director(s)"	the director(s) of the Company;
"Domestic Share(s)"	domestic shares of nominal value RMB0.10 each in the share capital of the Company which are subscribed for in RMB;
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Rights Transfer Agreement, the SPA (Zongheng), the Hangzhou Huaguang (51%) Agreement and the Hangzhou Huaguang (49%) Agreement, and the transactions contemplated thereunder;
"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 Shares"	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;
"Hangzhou Fanhua"	杭州泛華網絡科技有限公司 (Hangzhou Fanhua Internet Technology Company Limited*), a limited liability company incorporated in the PRC, which is an Independent Third Party of the Company;
"Hangzhou Huaguang"	杭州華光計算機工程有限公司 (Hangzhou Huaguang Computer Engineering Co., Ltd.*), a limited liability company incorporated in the PRC;

"Hangzhou Huaguang (51%) Agreement"	the equity interest transfer agreement dated 15 June 2009 entered into between the Company (as purchaser) and Mr. Luo An (as vendor) in relation to the sale and purchase of 51% equity interest in Hangzhou Huaguang;
"Hangzhou Huaguang (49%) Agreement"	the equity interest transfer agreement dated 15 June 2009 entered into between the Company (as purchaser) and Ms. Zhang Lianghong (as vendor) in relation to the sale and purchase of 49% equity interest in Hangzhou Huaguang;
"Hangzhou Huaguang (51%) Consideration"	the consideration of RMB5,100,000 (approximately HK$5,800,000) payable by the Company to Mr. Luo An in respect of the 51% Acquisition;
"Hangzhou Huaguang (49%) Consideration"	the consideration of RMB4,900,000 (approximately HK$5,600,000) payable by the Company to Ms. Zhang Lianghong in respect of the 49% Acquisition;
"Hangzhou Huaguang Acquisition"	comprise the 51% Acquisition and the 49% Acquisition;
"Hangzhou Songjie"	杭州頌杰信息技術有限公司 (Hangzhou Songjie Information Technology Company Limited*), a limited liability company incorporated in the PRC, which is an Independent Third Party of the Company;
"HK$"	the lawful currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	an independent board committee of the Company comprising all the independent non-executive Directors namely Mr. Cai Xiao Fu, Mr. Zhang De Xin and Mr. Gu Yu Lin;
"Independent Financial Adviser"	an independent financial adviser to be appointed to advise the Independent Board Committee and the independent Shareholders in relation to the entering into of the Rights Transfer Agreement and the Zongheng Disposal (31%);
"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, promoter, 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"	浙江蘭德縱橫網路技術有限公司 (Zhejiang Lande Zongheng Internet Technology Company Limited*), a limited liability company incorporated in the PRC which is a subsidiary of the Company as at the date of this announcement;
"percentage ratio"	has the meaning ascribed to it under the GEM Listing Rules;
"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;
"Rights Transfer Agreement"	the transfer agreement in respect of the right to purchase of 90% equity interest in Zhejiang Sichuang dated 15 June 2009 entered into between the Company and Hangzhou Fanhua, the principal terms of which are set out in this announcement;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shareholder(s)"	Registered holder(s) of the Shares;
"Shares"	Domestic Shares and H Shares;
"Sichuang Exclusive Right to Purchase Contract"	the exclusive right to purchase contract among the Company, Zhejiang Sichuang and Zhejiang Sichuang (Shareholders) dated 11 December 2006, the principal terms of which are set out in the announcement of the Company dated 11 December 2006;
"Sichuang Structure Contracts"	a suite of contracts and documents all dated 11 December 2006 entered into by/between/among the Company and/or Zhejiang Sichuang and/or Zhejiang Sichuang (Shareholders) (as the case may be), the principal terms of which are set out in the announcement of the Company dated 11 December 2006;
"SPA (Zongheng)"	the share purchase agreement entered into between the Company and Hangzhou Songjie in relation to the Zongheng Disposal (31%) on 15 June 2009;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Termination Agreement"	the termination agreement to the Sichuang Structure Contracts dated 15 June 2009 entered into among the Company, Zhejiang Sichuang and Zhejiang Sichuang (Shareholders), the principal terms of which are set out in this announcement;
"Zhejiang Sichuang"	浙江思創信息技術有限公司 (Zhejiang Sichuang Information Technology Co., Ltd.*), a limited liability company incorporated in the PRC, which is 90% owned by Mr. Chen Ping and 10% owned by Mr. Zhou Yuxiang as at the date of this announcement;
"Zhejiang Sichuang (Shareholders)"	Mr. Chen Ping and Mr. Zhou Yuxiang;

"Zongheng Disposal (9%)"	the disposal of 9% equity interest in Lande Zongheng by the Company to Mr. Chen Wei on 13 September 2008 at a consideration of RMB0.7 million;
"Zongheng Disposal (31%)"	the disposal of 31% equity interest in Lande Zongheng by the Company to Hangzhou Songjie pursuant to the terms of the SPA (Zongheng); and
"%"	per cent.

Unless otherwise stated, the conversion of RMB into HK$ is based on the exchange rate of HK$1.00 = RMB0.8816. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.

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

Hangzhou, the PRC
15 June 2009

As at the date of this announcement, the Board comprises six executive directors, being Mr. Chen Ping, Mr. Shi Lie, Mr. Chao Hong Bo, Ms. Geng Hui, Mr. Hu Yang Jun and Mr. Xia Zhen Hai, and three independent non-executive directors, being Mr. Cai Xiao Fu, Mr. Zhang De Xin and Mr. Gu Yu Lin.

* *For identification purpose only*