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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 company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8106)

DISCLOSEABLE TRANSACTION ESTABLISHMENT OF A JOINT VENTURE COMPANY

The Board is pleased to announce that Sichuang and Insigma Group have executed the Articles of Association of the Joint Venture Company and agreed to set up the Joint Venture Company to engage in invention and development of computer software and hardware, telecommunications equipment, electronic products and consultancy services and provision of services to cardiovascular patients.

The transaction constitutes a discloseable transaction for the Company under the GEM Listing Rules. A circular containing further information on the Joint Venture Company will be despatched to the Shareholders as soon as practicable.

1. THE ARTICLES OF THE JOINT VENTURE COMPANY

Date

1 June 2006

Name

浙江浙大網新思創健康科技有限公司(Insigma Inhealth Technology Co., Ltd.)

Parties:

- (1) Sichuang (浙江思創信息技術有限公司), a non-wholly owned subsidiary of the Company
- (2) Insigma Group (浙江浙大網新集團有限公司), Insigma Group is a sino-foreign joint venture company with a registered capital of RMB37,026,000 and is involved in invention and development of computer software and telecommunications equipment, consultancy services on economic data and environmental protection data and training and development of hi-tech industry. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Insigma Group is not a connected person (as defined in the GEM Listing Rules) and is independent of, and not parties acting in concert (as defined under the Codes on Takeovers and Mergers) with, any director, chief executive or substantial shareholder or the controlling shareholder of the Company or its subsidiaries or any of its associates.

Business of the Joint Venture Company

According to the Articles, the Joint Venture Company will engage in the development of computer software and hardware, telecommunications equipment, electronic products and consultancy services.

The Joint Venture Company will also establish a service centre and build up a national network and data bank in the internet for cardiovascular patients. The Joint Venture Company will also provide comprehensive recovery services including emergency call services, body check services etc to cardiovascular patients through the internet.

Registered Capital

The registered capital of the Joint Venture Company is RMB12.5 million (equivalent to approximately HK\$12.02 million). The Joint Venture Company will be owned as to 60% by Sichuang and 40% by Insigma Group respectively. The total investment of the Joint Venture Company was determined on an arm's length basis between Sichuang and Insigma Group.

Sichuang's contribution will be RMB7.5 million (equivalent to approximately HK\$7.21 million), consisting of RMB3 million cash (equivalent to approximately HK\$2.88 million) and intellectual property rights of RMB4.5 million (equivalent to approximately HK\$4.33 million). Insigma Group's contribution will be RMB5 million (equivalent to approximately HK\$4.81 million), consisting of RMB2 million cash (equivalent to approximately HK\$1.92 million) and intellectual property rights of RMB3 million (approximately HK\$2.88 million).

The registered capital of the Joint Venture Company will be paid by Sichuang and Insigma Group in full before the Joint Venture Company is established.

Board of Directors

The board of directors of the Joint Venture Company will comprise 3 directors. Sichuang will appoint 2 directors and Insigma Group will appoint 1 director.

Term

The term of the Joint Venture Company will be 20 years from the date of issue of the business licence of the Joint Venture Company which will be issued after all necessary PRC regulatory approvals have been obtained.

Profits

Profits will be distributed to Sichuang and Insigma Group in proportion to their respective equity interest in the Joint Venture Company.

The Joint Venture Company is expected to contribute positively to the future earnings of the Group and will enhance the Group's asset base.

2. REASONS FOR ENTERING INTO THE ARTICLES

The Directors note that websites relating to health information is yet to be mature and this offers a good business opportunity to the Company. By co-operating with Insigma Group, whose business scope also covers research and development of medical equipment, the Company can utilize its experiences in telecommunications to further provide comprehensive medical recovery services to cardiovascular patients, thereby further strengthen the development of the Company.

The Directors believe that the terms of the Articles the Joint Venture Company are fair and reasonable and in the interests of the Shareholders as a whole.

3. GENERAL

The Company and its subsidiaries are principally engaged in the provision of telecommunications solutions and other related services, trading of hardware and computer software and investment holding.

A circular containing further information on the Joint Venture Company will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

“Articles”	the Articles of Association of the Joint Venture Company
“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of directors of the Company
“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 liability company incorporated in the PRC and whose Shares are listed on the GEM of the Stock Exchange
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Insigma Group”	浙江浙大網新集團有限公司 (Zheda Insigma Group Co., Ltd.), a sino-foreign joint venture company incorporated in the PRC
“Joint Venture Company”	浙江浙大網新思創健康科技有限公司 (Insigma Inhealth Technology Co., Ltd.), a limited liability company established in the PRC
“PRC”	The People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Sichuang”	Zhejiang Sichuang Information Technology Company Limited (浙江思創信息技術有限公司), a non-wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
ZHEDA LANDE SCITECH LIMITED
Chen Ping
Chairman

Hanzhou, PRC, 2 June 2006

As at the date of this announcement, the Board comprises the following directors:

Mr. Chen Ping (Chairman), Mr. Xue Shi Cheng, Mr. Hu Yang Jun, Ms. Pan Lichun and Mr. Shi Lie being the Executive Directors, Mr. Cai Xiao Fu, Mr. Zhang De Xin and Mr. Gu Yu Lin being the Independent Non-Executive Directors.

This announcement, for which the directors of Zheda Lande Scitech Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Zheda Lande Scitech Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: -(1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page on the GEM website for at least 7 days from the date of its posting.

* *for identification purpose only*