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浙江升華蘭德科技股份有限公司

**SHENGHUA LANDE SCITECH LIMITED\***

*(a joint stock limited company incorporated in the People's Republic of China)*

**(Stock Code: 8106)**

## **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

### **SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCT ISSUED BY THE BANK OF HANGZHOU**

On 16 November 2020, the Group, through Increator Technology (a wholly-owned subsidiary of the Company) subscribed for the BOH Wealth Management Product at an amount of approximately RMB2,000,000. As a result, the account balance of the BOH Wealth Management Product after the Subscription aggregated to approximately RMB5,500,000.

### **GEM LISTING RULES IMPLICATIONS**

The Subscription by itself did not constitute a notifiable transaction of the Company for the purpose of Chapter 19 of the GEM Listing Rules. However, as at least one of the applicable percentage ratios calculated pursuant to GEM Listing Rule 19.07 in respect of the Subscription (when aggregated with the outstanding balance of the BOH Wealth Management Product) were more than 5% but less than 25%, the Subscription constituted a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and was subject to the notification and announcement requirements set out under Chapter 19 of the GEM Listing Rules but did not require Shareholders' approval.

### **SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCT ISSUED BY THE BANK OF HANGZHOU**

The Board hereby announces that on 16 November 2020, the Group, through Increator Technology (a wholly-owned subsidiary of the Company), subscribed for the BOH Wealth Management Product at an amount of approximately RMB2,000,000. As a result, the account balance of the BOH Wealth Management Product after the Subscription aggregated to approximately RMB5,500,000.

Further details regarding the terms of the BOH Wealth Management Product are as follows:

Name of the BOH Wealth Management Product	“Fortune 99” New Wallet Open-End Bank Wealth Management Plan* (“幸福99” 新錢包開放式銀行理財計劃)
Parties	(i) the Bank of Hangzhou as issuer; and  (ii) Increator Technology as subscriber.  To the best knowledge, information and belief of the Directors, the Bank of Hangzhou and its ultimate beneficial owners are not connected persons of the Company and are Independent Third Parties.
Type of return	Non-principal guaranteed with floating
Term of investment	No fixed maturity period and can be subscribed for or redeemed on any trading day
Scale of product	The upper limit of the scale of the BOH Wealth Management Product is RMB30,000 million.
Basis of consideration	The minimum subscription amount for the initial subscription is RMB10,000.00. Each additional subscription or redemption amount must be a multiple of RMB1.00. There is no maximum limit for subscription amount by any single account (limited to the upper limit of the scale of the BOH Wealth Management Product). The maximum daily redemption amount by any single account is RMB10,000,000.
Method of settlement	Bank account transfer
Expected annualised return	2.90% to 3.20% (based on the past performance of the BOH Wealth Management Product)
Fees	Increator Technology bears the fixed custodian fee of 0.025% of the principal amount per annum. In addition, Increator Technology also bears the fixed investment management fee of 0.35% of the principal amount per annum, while no investment management fee will be charged if the actual investment return on the BOH Wealth Management Product is below 0.35% per annum.

Underlying assets	The “Fortune 99” New Wallet Open-End Bank Wealth Management Plan* (“幸福99”新錢包開放式銀行理財計劃) mainly invests in fixed income assets, including but not limited to various bonds, deposits, money market financial instruments and other highly liquid assets, bond funds, pledged and buyout repo, and other debt assets that meet regulatory requirements.
Method of determining the annualised rate of return	In general, the rate of return of the BOH Wealth Management Product is determined on a day basis, with different rate of return for every different day.  The daily BOH Wealth Management Product annualised rate of return is calculated based on the actual operating income of the wealth management product underlying assets after deducting the fixed product custodian fee and management fee. The Bank of Hangzhou will calculate the daily annualised rate of return for each trading day based on the actual investment operation of the product (after deducting the product annual fixed custodian fee and management fee rate), and announce it on the next trading day. The daily annualised rate of return for each non-trading day will be announced together on the next trading day.
Repayment arrangement of the principal and return	During the duration of the BOH Wealth Management Product, the investment income is calculated daily and paid monthly, on the 15th of each month. Redemption of the principal is realised in real time on the day of redemption, and the investment income attributable to the redeemed amount will arrive in the account one Working Day after the investment income payment date.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE BOH WEALTH MANAGEMENT PRODUCT**

The Subscription was made for treasury management purpose to maximise the return on the unutilised funds of the Group after taking into account, among others, the level of risk, return on investment and term to maturity. Prior to making the investment, the Group had ensured that there remained sufficient working capital for the Group's business needs, operating activities and capital expenditures even after making the investment in the wealth management product. In accordance with the relevant accounting standards, the BOH Wealth Management Product was accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group. The BOH Wealth Management Product was a short-term wealth management product that had relatively low associated risks issued by the Bank of Hangzhou. Although the BOH Wealth Management Product was marketed as wealth management product which was not principal protected nor with pre-determined or guaranteed return, the underlying investments were considered to have relatively low risk and be also in line with the internal risk management, cash management and investment policies of the Group as the Group had, in the past, fully recovered the principal and received the expected returns upon the maturity of the wealth management products, which nature were very similar to the BOH Wealth Management Product. In addition, the BOH Wealth Management Product was with flexible redemption terms or a relatively short term of maturity, and which was considered to be akin to placing ordinary time deposits with banks.

In view of earning a more lucrative return than the current bank saving or fixed deposit rates on the unutilised funds, as well as the low risk and liquid nature of the BOH Wealth Management Product, the Directors are of the view that the investment in the BOH Wealth Management Product posed little risk to the Group and the terms and conditions of the Subscription were fair and reasonable and were in the interests of the Company and the Shareholders as a whole.

## **GENERAL INFORMATION OF THE PARTIES**

### **The Company**

The Company is a joint stock company incorporated in the PRC with limited liability, and the H Shares of which are listed on GEM. The Group is principally engaged in (i) the trading of hardware and computer software; (ii) the provision of smart city solutions; (iii) the provision of e-commerce supply chain services; and (iv) the provision of telecommunication value-added services.

### **Increator Technology**

Increator Technology is a wholly-owned subsidiary of the Company and is principally engaged in the provision of smart city solutions, including primarily the provision of software development and value-added services mainly relating to the construction and operation maintenance of Citizen Card\* (市民卡) systems to customers.

## **The Bank of Hangzhou**

The Bank of Hangzhou is a joint stock company incorporated in the PRC with limited liability and to the best knowledge, information and belief of the Directors, the Bank of Hangzhou and its ultimate beneficial owners are not connected persons of the Company and are Independent Third Parties. The Bank of Hangzhou and its subsidiary are principally engaged in the commercial banking business which provides services such as accepting deposits, making loans and offering basic investment products. The Bank of Hangzhou is listed on the Shanghai Stock Exchange (stock code: 600926). Increator Technology has subscribed for the BOH Wealth Management Product issued by the Bank of Hangzhou.

## **GEM LISTING RULES IMPLICATIONS**

The Subscription by itself did not constitute a notifiable transaction of the Company for the purpose of Chapter 19 of the GEM Listing Rules. However, as at least one of the applicable percentage ratios calculated pursuant to GEM Listing Rule 19.07 in respect of the Subscription (when aggregated with the outstanding balance of the BOH Wealth Management Product) were more than 5% but less than 25%, the Subscription constituted a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and was subject to the notification and announcement requirements set out under Chapter 19 of the GEM Listing Rules but did not require Shareholders' approval.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“BOH Wealth Management Product”	“Fortune 99” New Wallet Open-End Bank Wealth Management Plan* (“幸福99” 新錢包開放式銀行理財計劃), the wealth management product issued by the Bank of Hangzhou
“Bank of Hangzhou”	Bank of Hangzhou Co., Ltd.* (杭州銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability, and an Independent Third Party
“Board”	the board of Directors
“Company”	Shenghua Lande Scitech Limited* (浙江升華蘭德科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on GEM (stock code: 8106)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Increator Technology”	Increator Technology Co., Ltd.* (浙江創建科技有限公司), a limited liability company established under the laws of the PRC, and a wholly-owned subsidiary of the Company
“Independent Third Parties”	third parties independent of the Company and connected persons of the Company and “Independent Third Party” shall be construed accordingly
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary issued share(s) of RMB0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the BOH Wealth Management Product by Increeator Technology with a principal of approximately RMB2,000,000 on 16 November 2020
“Working Day”	National statutory working day of the PRC
“%”	per cent.

For and on behalf of the Board  
**Shenghua Lande Scitech Limited\***  
**Qi Jinsong**  
*Chairman*

Huzhou City, the PRC, 16 November 2020

*As at the date of this announcement, the Board comprises three executive Directors, being Mr. Qi Jinsong, Mr. Guan Zilong and Mr. Xu Jianfeng; one non-executive director, being Mr. Chen Ping; and three independent non-executive Directors, being Mr. Cai Jiamei, Ms. Huang Lianxi and Mr. Shen Haiying.*

*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](http://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](http://www.landpage.com.cn).*

*\* For identification purposes only*