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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)

PROFIT WARNING

This announcement is made by Shenghua Lande Scitech Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company and the potential investors that, based on the initial assessment by the Company’s management of the unaudited consolidated management accounts of the Group, the Group is expected to record a substantial increase in the net loss attributable to owners of the Company for the three months ended 31 March 2018 as compared to the net loss attributable to owners of the Company of approximately RMB1,840,000 for the three months ended 31 March 2017. Based on the relevant information currently available to the Company, the Board considers that the anticipated increase in the net loss attributable to owners of the Company for the three months ended 31 March 2018 was mainly attributable to the reasons as mentioned below.

The Group has completed the acquisition of 100% of the equity interest in Increator Technology Co., Ltd.* (浙江創建科技有限公司) (“**Increator Technology**”) in February 2018. The principal activities of Increator Technology are the provision of smart city solutions, including mainly the provision of computer software development and value-added services relating to the construction and operation maintenance of Citizen Card* (市民卡) systems to the customers. For the three months ended 31 March 2018, the turnover of the business of provision of smart city solutions contributed little to the overall turnover of the Group, but the operating expenses of the business (comprising mainly staff costs and travelling expenses, etc.) led to a substantial increase in the Group’s general and administrative expenses. In addition, for the three months ended 31 March 2018, the exchange losses on the Hong Kong dollar bank deposits held by the Group arising from the appreciation of the renminbi increased significantly over the same period of last year. Accordingly, the net loss attributable to owners of the Company for the three months ended 31 March 2018 is expected to increase substantially comparing to the same period of last year.

Despite this, the Board believes that the loss has no material adverse impact on the Group's business operations and the Group maintains a stable financial position.

As the Company is still in the progress of finalising the unaudited consolidated results of the Group for the three months ended 31 March 2018, the information contained in this announcement is only based on the preliminary assessment made by the Board on the latest consolidated management accounts of the Group and the information currently available, which have not been audited by the auditor of the Company or reviewed by the audit committee of the Company. Shareholders of the Company and potential investors are advised to refer to the Group's quarterly results for the three months ended 31 March 2018, which will be issued by the Company in accordance with the GEM Listing Rules on 14 May 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Shenghua Lande Scitech Limited*
Qi Jinsong
Chairman and Chief Executive Officer

Huzhou City, the People's Republic of China, 7 May 2018

As at the date of this announcement, the Board comprises four executive Directors, being Mr. Qi Jinsong, Mr. Chen Ping, Mr. Guan Zilong and Mr. Xu Jianfeng 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 enquiries, 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.

* For identification purposes only