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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)

INSIDE INFORMATION LITIGATION

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 announced that, on 8 March 2021, the Company received a civil complaint (the “**Complaint**”) and a court summons issued by the People's Court of Haidian District, Beijing (the “**Haidain District Court**”) to the Company. The Haidian District Court has filed and accepted the case with Case Number (2020) Beijing 0108 Min Chu No. 24340, under which Beijing Fortis Oriental Technology Co., Ltd.* (北京富通東方科技有限公司) (the “**Plaintiff**”) sued the Company and three other defendants (collectively referred to as the “**Defendants**”) on the ground of infringement of trade secrets disputes arising from a preferential framework agreement (the “**Preferential Framework Agreement**”) entered into between Unicom Import and Export Co., Ltd.* (聯通進出口有限公司) (“**Unicom Import and Export**”) and IBM Engineering Technology (Shanghai) Co., Ltd.* (上海國際商業機器工程技術有限公司) (“**IBM Shanghai**”) dated 25 September 2007, alleging that its commercial interests had been infringed during the execution of the Preferential Framework Agreement and claiming for compensation (the “**Litigation**”). The Haidain District Court decided to begin hearing on 15 April 2021.

According to the Complaint, the Plaintiff considered that the Defendants and Plaintiff had been appointed as the system integrators and distributor for Unicom Import and Export and IBM Shanghai, respectively. The Plaintiff alleged that the Defendants failed to perform the obligations as the appointed system integrators under the Preferential Framework Agreement and had refused to make transactions with the Plaintiff, seeking the following requests:

- (i) the Defendants to jointly compensate the Plaintiff for financial losses amounting to approximately RMB10,944,000 and related interest payment calculated for the period from 7 July 2008 to 30 April 2020, with total principal and interest amounting to approximately RMB18,096,000;

- (ii) the Defendants to pay the Plaintiff reasonable expenses incurred in handling the case of RMB300,000; and
- (iii) the Defendants to bear all the litigation costs.

The Company has commenced to investigate the implementation of relevant business project, and will engage a lawyer as soon as possible to prepare for defence and relevant evidence to actively respond to the Litigation. However, due to the inherent uncertainties of the Litigation itself, the Company cannot predict whether the defence will succeed and whether it will bear some or all of the payment responsibilities.

The Board believes that the Litigation will not affect the normal business operations of the Group. The Company is actively responding to the Litigation and will make further announcement(s) regarding any material developments of the Litigation as and when appropriate.

The 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

Hangzhou City, the People's Republic of China, 9 March 2021

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 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