



SHLD
升華蘭德

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

2025
Interim Report

* For identification purposes only

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*This report, for which the directors (the “**Director(s)**”) of Shenghua Lande Scitech Limited* (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report 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 report misleading.*

HIGHLIGHTS

- Achieved a revenue of approximately RMB122,172,000 for the six months ended 30 June 2025, representing an increase of approximately 54.68% as compared with the revenue for the same period of the year 2024.
- Incurred a loss of approximately RMB47,000 for the six months ended 30 June 2025, as compared with the loss of approximately RMB7,920,000 for the same period of the year 2024.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

The board (the “**Board**”) of Directors is pleased to present the interim report of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025.

2025 INTERIM RESULTS

For the six months ended 30 June 2025, the Group recorded an unaudited revenue of approximately RMB122,172,000 (2024: RMB78,986,000), representing an increase of approximately RMB43,186,000 or approximately 54.68%, as compared with the unaudited revenue of the same period of the year 2024.

For the six months ended 30 June 2025, the Group recorded an unaudited loss of approximately RMB47,000 (2024: RMB7,920,000).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: nil).

CONDENSED INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements of the Group for the six months ended 30 June 2025 together with the unaudited comparative figures for the corresponding period in 2024 are set out as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME


For the six months ended 30 June 2025

		(unaudited) Six months ended 30 June	
	Notes	2025 RMB'000	2024 RMB'000
Revenue	3	122,172	78,986
Cost of sales		(109,957)	(71,672)
Gross profit		12,215	7,314
Other operating income (expenses), net gains or losses	4	940	(1,688)
Distribution and selling expenses		(4,944)	(3,195)
General and administrative expenses		(5,554)	(6,533)
Research and development expenditure		(1,290)	(3,421)
Finance costs		(434)	(339)
Profit (loss) before tax		933	(7,862)
Income tax expenses	5	(980)	(58)
Loss and total comprehensive expenses for the period	6	(47)	(7,920)
Loss per share			
Basic and diluted (RMB)	9	(0.01) cents	(1.56) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		(unaudited) 30 June 2025 RMB'000	(audited) 31 December 2024 RMB'000
	Notes		
Non-current assets			
Plant and equipment		1,631	1,926
Deferred tax assets		570	285
Loan receivable		–	–
		2,201	2,211
Current assets			
Inventories		13,394	6,146
Trade and bills receivables	10	99,881	78,344
Prepayments and other receivables		3,937	5,269
Contract assets		2,099	2,580
Bank balances and cash		9,814	15,594
		129,125	107,933
Current liabilities			
Trade and other payables	11	54,976	33,230
Contract liabilities		181	351
Bank borrowings		28,481	28,828
		83,638	62,409



	(unaudited) 30 June 2025 <i>RMB'000</i>	(audited) 31 December 2024 <i>RMB'000</i>
<i>Notes</i>		
Net current assets	45,487	45,524
Total assets less current liabilities	47,688	47,735
Capital and reserves		
Paid-in capital	50,655	50,655
Reserves	(2,967)	(2,920)
Total equity	47,688	47,735

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Paid-in capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	(unaudited) Statutory surplus reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total equity <i>RMB'000</i>
Balance as at 1 January 2025	50,655	101,336	13,767	(118,023)	47,735
Loss for the period	-	-	-	(47)	(47)
Balance as at 30 June 2025	50,655	101,336	13,767	(118,070)	47,688
Balance as at 1 January 2024	50,655	101,336	13,767	(111,517)	54,241
Loss for the period	-	-	-	(7,920)	(7,920)
Balance as at 30 June 2024	50,655	101,336	13,767	(119,437)	46,321

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	(unaudited) Six months ended 30 June	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net cash (outflow) inflow from operating activities	(5,570)	440
Net cash inflow from investing activities	30	12
Net cash outflow from financing activities	(240)	(173)
Net (decrease) increase in cash and cash equivalents	(5,780)	279
Cash and cash equivalents at beginning of period	15,594	15,308
Cash and cash equivalents at end of period	9,814	15,587

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PRESENTATION

The Company was incorporated as a joint stock company with limited liability in the People's Republic of China (the “**PRC**”) on 20 September 2001 and its H shares (the “**H Shares**”) were listed on GEM on 3 May 2002.

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” published by the International Accounting Standards Board and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial statements were consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2024.

3. REVENUE AND SEGMENT INFORMATION

For the six months ended 30 June 2025 and 2024, revenue comprised income from trading of hardware and computer software and provision of smart city solutions.

The Group's operating segments, based on information reported to the chief operating decision maker (the “**CODM**”), being the executive Directors, were for the purpose of resource allocation and performance assessment. The executive Directors have chosen to organise the Group around differences in products and services. No operating segments identified by the CODM have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group's reportable segments were as follows:

1. Trading of hardware and computer software
2. Provision of smart city solutions
3. Provision of e-commerce operation solution services

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable segments, and geographical information.

(i) **Segment revenue and results**

	(unaudited)							
	Trading of hardware and computer software		Provision of smart city solutions		Provision of e-commerce operation solution services		Consolidated	
	Six months ended 30 June							
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue – external customers	114,001	71,666	8,171	7,320	-	-	122,172	78,986
Segment results	3,600	3,073	(1,113)	(8,590)	-	-	2,487	(5,517)
Unallocated other operating income (expenses), net gains or losses							173	113
Unallocated expenses							(1,727)	(2,458)
Profit (loss) before tax							933	(7,862)

The accounting policies of the reportable segments were the same as the Group's accounting policies.

Segment results represented the result from each segment without allocation of central administration costs, Directors' emoluments and certain other operating income (expenses), net gains or losses. This was the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

(ii) Segment assets and liabilities

	Trading of hardware and computer software		Provision of smart city solutions		Provision of e-commerce operation solution services		Consolidated	
	(Unaudited) As at 30 June 2025 RMB'000	(Audited) As at 31 December 2024 RMB'000	(Unaudited) As at 30 June 2025 RMB'000	(Audited) As at 31 December 2024 RMB'000	(Unaudited) As at 30 June 2025 RMB'000	(Audited) As at 31 December 2024 RMB'000	(Unaudited) As at 30 June 2025 RMB'000	(Audited) As at 31 December 2024 RMB'000
Segment assets	105,946	72,592	11,402	15,651	1	-	117,349	88,243
Unallocated assets							13,977	21,901
Total assets							131,326	110,144
Segment liabilities	74,701	53,628	8,225	8,781	712	-	83,638	62,409

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets were allocated to reportable segments other than certain plant and equipment, bank balances and cash, certain prepayments and other receivables and deferred tax assets which were unable to allocate to reportable segments.
- all liabilities were allocated to reportable segments.

(iii) Geographical information

Both revenue and non-current assets of the Group were derived from or located in the PRC. Accordingly, no geographical information was presented.

4. OTHER OPERATING INCOME (EXPENSES), NET GAINS OR LOSSES

	(unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Government grants (<i>Note</i>)	711	21
Exchange gain, net	97	23
Bank interest income	52	59
Reversal of impairment loss (impairment loss) of trade and bills receivables, net	56	(1,791)
Others	24	–
	940	(1,688)

Note: Government grants received during the six months ended 30 June 2025 and 2024 related to rebate of value-added tax and government subsidies. There were no unfulfilled conditions or contingencies relating to those grants.

5. INCOME TAX EXPENSES

	(unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax expense		
PRC Enterprise Income Tax (“EIT”)	1,265	58
Deferred tax	(285)	–
	980	58

Under the EIT Law (the “**EIT Law**”) of the PRC and Implementation Regulation of the EIT Law, the tax rate of the PRC enterprises was 25% for the six months ended 30 June 2025 (2024: 25%). One of the subsidiaries of the Group was subject to EIT at a rate of 15% for the six months ended 30 June 2025 (2024: 15%), as it was classified as a High and New Technology Enterprise* (高新技術企業). One of the subsidiaries of the Group was subject to EIT at a rate of 25% for the six months ended 30 June 2025 (2024: 5%), as it was classified as a General Enterprise* (一般企業) (classified as a Small and Low Profit Enterprise* (小型微利企業) in 2024).

For the six months ended 30 June 2025, no provision for Hong Kong Profits Tax has been made for the subsidiary of the Group established in Hong Kong (2024: nil) as it did not have any assessable profits subject to Hong Kong Profits Tax for the period (2024: nil).

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	(unaudited) Six months ended 30 June	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation of plant and equipment	292	394

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: nil).

8. RESERVES

Other than those disclosed in the condensed consolidated statement of changes in equity, there were no movements in the reserves of the Group for the six months ended 30 June 2025 and 2024.

9. LOSS PER SHARE

The calculations of the basic loss per share for the six months ended 30 June 2025 were based on the loss for the period of approximately RMB47,000 (2024: RMB7,920,000) and approximately 506,546,000 (2024: 506,546,000) shares in issue during the period.

Diluted loss per share was the same as basic loss per share for the six months ended 30 June 2025 and 2024 as there were no potential ordinary shares existed during the periods.

10. TRADE AND BILLS RECEIVABLES

	(unaudited) 30 June 2025 RMB'000	(audited) 31 December 2024 RMB'000
Trade and bills receivables at amortised cost	110,103	88,614
Less: allowances for impairment losses	(10,222)	(10,270)
	99,881	78,344

As at 30 June 2025, bills receivable of approximately RMB18,481,000 (31 December 2024: RMB18,828,000) were pledged to secure bank borrowings of approximately RMB18,481,000 (31 December 2024: RMB18,828,000).

There were no specific credit periods granted to customers except for an average credit period of 30 – 90 days (31 December 2024: 30 – 90 days) to the Group's trade customers under trading of hardware and computer software segment. Aging analysis of the trade and bills receivables, net of allowances for impairment losses, as at the end of reporting period, presented based on the invoice date which approximated to revenue recognition date is as follows:

	(unaudited) 30 June 2025 RMB'000	(audited) 31 December 2024 RMB'000
0 to 90 days	91,461	70,159
91 to 180 days	2,046	–
Over 180 days	6,374	8,185
	99,881	78,344

The Group did not hold any collateral over its trade and bills receivables. Based on past experience, management considered the unimpaired balances were fully recoverable as relevant customers had a good track record and were of a good credit standing.

11. TRADE AND OTHER PAYABLES

	(unaudited) 30 June 2025 RMB'000	(audited) 31 December 2024 RMB'000
Trade payables	45,136	25,962
Other payables and accruals	9,840	7,268
	54,976	33,230

Aging analysis of the trade payables presented based on the invoice date is as follows:

	(unaudited) 30 June 2025 RMB'000	(audited) 31 December 2024 RMB'000
Less than 1 year	39,843	21,304
Over 1 year but less than 2 years	1,488	2,337
Over 2 years but less than 3 years	2,510	1,391
More than 3 years	1,295	930
	45,136	25,962

MANAGEMENT DISCUSSION AND ANALYSIS

I. REVIEW OF OPERATIONS

1. Operating results

(i) Overview

The Group has been principally engaged in (i) the trading of hardware and computer software; (ii) the provision of smart city solutions; and (iii) the provision of e-commerce operation solution services (this business segment has suspended the original traditional provision of e-commerce supply chain services business and is seeking other suitable business opportunities).

There was no particular seasonal fluctuations in the Group's revenue. However, the characteristics of the provision of smart city solutions business of the Group was project based. Currently the main revenue of the business has come from specific projects and the income depended on the obtaining of project orders, contract amounts of orders obtained and progress of projects and therefore, there would be fluctuations.

In line with industry performance, the Group's hardware and computer software sales and e-commerce trading normally had relatively low gross profit margin. With the continuous optimisation of product structure and sales strategies and the improvement of service levels, the gross profit margins would increase accordingly. On the other hand, the Group's provision of software development, technical support and various value-added services normally enjoyed relatively higher gross profit margins, which varied among different projects and/or products.

(ii) Revenue

For the six months ended 30 June 2025, (i) the trading of hardware and computer software business generated revenue of approximately RMB114,001,000 (2024: RMB71,666,000), representing approximately 59.07% increase, when compared to the same period last year. During the reporting period, the business maintained a good momentum, with orders from major old customers increased significantly compared to the same period last year. The delivery orders also increased in the first half of the year, which contributed to a substantial increase in the revenue of the business; (ii) the provision of smart city solutions business generated revenue of approximately RMB8,171,000 (2024: RMB7,320,000), representing approximately 11.63% increase, when compared to the same period last year. The business focused on construction projects currently. Due to the differences in the contract amounts for the projects under construction and progress of the projects in each reporting period, there would be certain fluctuations in the amount of revenue recognised in the respective reporting periods. The Group has been actively expanding operation services to enhance the stable income capability of the business. During the reporting period, the Group faced tremendous pressure due to the impact of the macroeconomic situation and the continued intensification of market competition. The Group actively expanded the customer market and improved project delivery efficiency. As a result, the business revenue achieved a certain growth compared to the same period last year. However, due to the low base of the same period last year, the revenue scale of the period was still not ideal; and (iii) the provision of e-commerce operation solution services business did not generate revenue (2024: nil). The business suspended its original traditional business and is currently looking for other suitable e-commerce service business opportunities to support the output of operation services of the provision of smart city solutions business.

For the six months ended 30 June 2025, the unaudited revenue of the Group was approximately RMB122,172,000 (2024: RMB78,986,000), representing an increase of approximately RMB43,186,000, or approximately 54.68%, as compared with that of the same period of the year 2024.

(iii) Gross profit margin

For the six months ended 30 June 2025, (i) the gross profit margin of the trading of hardware and computer software business was approximately 7.83% (2024: 7.88%). During the reporting period, the Group continued to implement the sales strategy for the business, improving the sales structure, increasing sales of brands and products with higher gross profit margins, controlling sales of brands and products with lower gross profit margins, and developing sales to high-quality customers with high gross profit margins to improve gross profit margin. However, due to factors such as the increase in procurement costs for some business orders and growth in orders from major customers with relatively lower gross profit margins during the reporting period, the overall gross profit margin of the business decreased slightly; (ii) the gross profit margin of the provision of smart city solutions business was approximately 40.19% (2024: 22.77%). The gross profit margin of the business was affected by the gross profit margins of related projects carried out during the respective reporting periods, and there would be certain fluctuations. During the reporting period, the Group benefited from reducing the number of technical personnel responsible for the implementation of the business projects, thereby effectively reducing project cost investment. While the revenue from the business increased slightly, it also achieved an increase in gross profit margin. In addition, the Group has been actively expanding operation services to enhance the stable profitability of the business; and (iii) the provision of e-commerce operation solution services business did not generate revenue and gross profit (2024: nil). The business suspended its original traditional business and is seeking other suitable business opportunities.

For the six months ended 30 June 2025, the unaudited gross profit margin of the Group was approximately 10.00% (2024: 9.26%).

(iv) Loss for the period

For the six months ended 30 June 2025, (i) the trading of hardware and computer software business reported segment profit of approximately RMB3,600,000 (2024: RMB3,073,000). During the reporting period, the revenue of the business increased significantly, the gross profit margin decreased slightly, and the expenditure increased. Therefore, the growth of the segment profit was not much compared with the same period last year.; (ii) the provision of smart city solutions business reported segment loss of approximately RMB1,113,000 (2024: RMB8,590,000). During the reporting period, the segment loss of the business narrowed significantly, mainly due to (a) facing severe market competition, the Group actively expanded the customer market and improved project delivery efficiency, which resulted in an increase in revenue from the business segment compared to the same period last year; (b) a significant decrease in project costs and various business costs and expenditure, primarily due to the effective reduction in labour costs; and (c) a reversal of impairment loss of trade and bills receivables as compared to the impairment loss of trade and bills receivables recorded for the same period last year; and (iii) the provision of e-commerce operation solution services business suspended its original traditional business and did not record segment results (2024: nil). For the six months ended 30 June 2025, the net unallocated expenses of the Group were approximately RMB1,554,000 (2024: RMB2,345,000).

As a result of the cumulative effect of the principal factors described above, for the six months ended 30 June 2025, the Group reported an unaudited loss and loss per share of approximately RMB47,000 (2024: RMB7,920,000) and RMB0.01 cents (2024: RMB1.56 cents), respectively.

2. Business and product development

During the reporting period, the Group (i) performed a good work on the prevention and control of inventory and trade receivable risks in the trading of hardware and computer software business, focused internal resources, continuously implemented the market strategy and improved sales structure, maintained the key customer groups, opened up other new end customers, increased the proportion of end customer sales revenue with higher gross profit margin and actively expanded the system integration services business inside and outside the province. The revenue volume of the business segment has grown significantly and achieved good results; (ii) actively grasped the opportunities of domestic smart cities construction and development in the provision of smart city solutions business, strengthened the construction of the marketing system, seized market opportunities such as the domestic promotion of “digital governance (數字治理)”, accelerated construction of “digital government (數字政府)” and accelerated development of the “Resident Service Card* (居民服務一卡通)”, kept on providing continuous software system development services and value-added services for the “Digital Citizen and Citizen Card Service Platform* (數字市民及市民卡服務平台)” in local cities where good relationships with customers have been maintained, and strived to open up new customers and new market demands. During the period, the business actively explored new markets outside the province such as Jiangxi Province and Jiangsu Province, conducted market research and analysis, sought to leverage cooperation for development, focused on cooperation and innovation, and jointly promoted the development of markets outside the province to secure more service contracts and orders, while actively consolidating the development and delivery of projects for existing customers inside and outside Zhejiang Province. The business also leveraged the innovative application of technologies such

as AIoT and big data, especially the integrated application of artificial intelligence technology, to conduct beneficial exploration and empower business development. It expanded product directions around eight key areas of the business, including smart unions, smart parks, smart elderly care, smart communities and smart party building, and researched smart city solution services that met new market demands and new solution services in other sub-segments; and (iii) suspended the operation of the original traditional provision of e-commerce supply chain services business in the provision of e-commerce operation solution services business, and sought new business opportunities that would generate revenue for the Group. However, no substantial progress was made.

3. Business investment and cooperation

During the reporting period, the Group has been constantly seeking suitable investment opportunities or business cooperation opportunities, including opportunities for expansion of existing businesses and other potential new business opportunities suitable for the Group's development. However, there has been no substantial progress up to present.

During the reporting period, in order to control operating risks, while continuing to comply with relevant laws and regulations, the Company completed the capital reduction process of the wholly-owned subsidiary, Increator Technology Co., Ltd.* (浙江創建科技有限公司), with the registered capital reduced by RMB33,000,000 from RMB60,000,000 to RMB27,000,000.

During the reporting period, the Group also maintained good cooperation relationship with the hardware and computer software manufacturers, Citizen Card* (市民卡) management companies at various places, e-commerce platforms and other business partners.

4. Employees information

As at 30 June 2025, the Group had 75 (31 December 2024: 83) employees in total. The total staff costs of the Group for the reporting period amounted to approximately RMB11,522,000 (2024: RMB13,983,000).

The Group's human resources management strategy was formulated in accordance with the Group's development strategy as guideline on the one hand and with the goals stipulated in the long-term vision planning as direction on the other. At the same time, incentive schemes have been linked with other aspects of human resources management and promoted each other. The Group opened wide for recruitment channels, set up mechanisms for attracting talents, grasped for the development of talent usability and formulated a good system in people deployment and incubation. The Group implemented a salary management system which linked up staff performance appraisal with a compensation system. Salary was fixed and released in accordance with performance appraisal results. After a total assessment of an employee's job performance, capability and work attitude, a comprehensive evaluation could be established for the employee which would be used as referencing standard. Through the integration of the two systems, the employees were effectively motivated, and at the same time, it would also be conducive to the successful completion of the Group's goals.

The Group attached great importance to staff development and ability enhancement and provided them with a variety of quality and skill training opportunities. In this way, employees would be more suitable for the Group's job requirements and, at the same time, they would be fully developed in their careers.

The Group did not have any staff share scheme or bonus plan.

II. REVIEW OF FINANCIAL PERFORMANCE AND POSITIONS

1. Financial performance

- For the six months ended 30 June 2025, the Group's revenue amounted to approximately RMB122,172,000 (2024: RMB78,986,000).
- For the six months ended 30 June 2025, the Group's gross profit margin was approximately 10.00% (2024: 9.26%).
- For the six months ended 30 June 2025, the Group had a loss of approximately RMB47,000 (2024: RMB7,920,000).
- For the six months ended 30 June 2025, the Group's loss per share was approximately RMB0.01 cents (2024: RMB1.56 cents).

2. Financial positions

- The Group maintained creditable financial conditions. For the six months ended 30 June 2025, the Group was mainly financed by proceeds generated from daily operations, other internal resources and bank borrowings.
- As at 30 June 2025, the Group had inventories of approximately RMB13,394,000 (31 December 2024: RMB6,146,000). The increase in the Group's inventories during the reporting period was mainly due to the increase in inventories of the trading of hardware and computer software business segment.
- As at 30 June 2025, the Group had trade and bills receivables of approximately RMB99,881,000 (31 December 2024: RMB78,344,000). The increase in the Group's trade and bills receivables during the reporting period was mainly due to the significant growth in revenue from the trading of hardware and computer software business segment, which resulted in an increase in trade and bills receivables.

- As at 30 June 2025, the Group had prepayments and other receivables of approximately RMB3,937,000 (31 December 2024: RMB5,269,000). The decrease in the Group's prepayments and other receivables during the reporting period was mainly due to the decrease in other receivables under the trading of hardware and computer software business segment.
- As at 30 June 2025, the Group had bank balances and cash of approximately RMB9,814,000 (31 December 2024: RMB15,594,000). The bank balances and cash to total assets and net asset ratios as at 30 June 2025 were approximately 7.47% (31 December 2024: 14.16%) and 20.58% (31 December 2024: 32.67%), respectively.
- As at 30 June 2025, the Group had trade and other payables of approximately RMB54,976,000 (31 December 2024: RMB33,230,000). The increase in the Group's trade and other payables during the reporting period was mainly due to the increase in trade payables as a result of the growth in business volume of the trading of hardware and computer software business segment.
- As at 30 June 2025, the Group had contract liabilities of approximately RMB181,000 (31 December 2024: RMB351,000). The decrease in the Group's contract liabilities during the reporting period was mainly due to the decrease in advance payments from customers for bulk purchases under the trading of hardware and computer software business segment.
- As at 30 June 2025, the Group had total assets of approximately RMB131,326,000 (31 December 2024: RMB110,144,000).
- As at 30 June 2025, the Group had total liabilities of approximately RMB83,638,000 (31 December 2024: RMB62,409,000).
- As at 30 June 2025, the Group had current assets of approximately RMB129,125,000 (31 December 2024: RMB107,933,000).

- As at 30 June 2025, the Group had current liabilities of approximately RMB83,638,000 (31 December 2024: RMB62,409,000).
- As at 30 June 2025, the Group had total equity of approximately RMB47,688,000 (31 December 2024: RMB47,735,000).
- As at 30 June 2025, the Group had a gearing ratio (i.e. the ratio of total liabilities to total assets) of approximately 63.69% (31 December 2024: 56.66%).
- As at 30 June 2025, the Group had a current ratio (i.e. the ratio of current assets to current liabilities) of approximately 1.54 (31 December 2024: 1.73).
- The Group's exposure to foreign currency risk related principally to its bank balances, trade and bills receivables, other receivables and trade and other payables denominated in foreign currencies other than the functional currency of the relevant group entity. The Group did not have a foreign currency hedging policy. However, the Directors continuously monitored the related foreign exchange exposure and would consider hedging significant foreign currency exposure should the need arise.
- As at 30 June 2025, the Group's bills receivable amounting to approximately RMB18,481,000 (31 December 2024: RMB18,828,000) were pledged to secure banking borrowings of approximately RMB18,481,000 (31 December 2024: RMB18,828,000).

III. CAPITAL STRUCTURE

There were no changes in the Company's capital structure during the six months ended 30 June 2025 (year ended 31 December 2024: nil). The registered capital of the Company was RMB50,654,617, comprising 244,421,170 domestic shares (the "**Domestic Shares**") of the Company of nominal value of RMB0.10 each and 262,125,000 H Shares of nominal value of RMB0.10 each, as at 30 June 2025 and 31 December 2024.

IV. SHAREHOLDING STRUCTURE

1. Transfer of Domestic Shares

On 25 July 2025, Zhejiang Shenghua Holdings Group Company Limited* (浙江升華控股集團有限公司) (“**Zhejiang Shenghua**”) and Shanghai Xinyun Zhilian Data Technology Co., Ltd.* (上海芯雲智聯數據科技有限公司) (“**Xinyun Zhilian**”) entered into the Domestic Shares sale and purchase agreement (the “**Domestic Shares Sale and Purchase Agreement**”), pursuant to which Zhejiang Shenghua agreed to sell, and Xinyun Zhilian agreed to acquire 193,316,930 Domestic Shares, representing approximately 38.16% of the total issued shares (the “**Shares**”) of the Company as at the date of the joint announcement jointly issued by the Offerors (as defined below) and the Company dated 25 July 2025 (the “**Rule 3.5 Announcement**”) regarding the Offers (as defined below). The Domestic Shares Sale and Purchase Agreement was completed on 28 July 2025. Details of the Domestic Shares Sale and Purchase Agreement and completion of which were set out in the Rule 3.5 Announcement and joint announcement jointly issued by the Offerors and the Company dated 29 July 2025 (the “**Domestic Shares Completion Announcement**”), respectively.

2. Transfer of H Shares

On 25 July 2025, Rise Sea Limited (“**Rise Sea**”) and Visionary Technology Investment Limited (“**Visionary Technology**”) entered into the H Shares sale and purchase agreement (the “**H Shares Sale and Purchase Agreement**”), pursuant to which Rise Sea agreed to sell, and Visionary Technology agreed to acquire 65,022,000 H Shares, representing approximately 12.84% of the total issued Shares as at the date of the Rule 3.5 Announcement. The H Shares Sale and Purchase Agreement was completed on 31 July 2025. Details of the H Shares Sale and Purchase Agreement and completion of which were set out in the Rule 3.5 Announcement and joint announcement jointly issued by the Offerors and the Company dated 31 July 2025 (the “**H Shares Completion Announcement**”), respectively.

3. Change of controlling Shareholders

Upon the completion of the Domestic Shares Sale and Purchase Agreement and H Shares Sale and Purchase Agreement, Zhejiang Shenghua ceased to hold any Shares and Rise Sea directly holds 52,578,000 H Shares, representing approximately 10.38% of the total issued Shares as at the date of the Rule 3.5 Announcement and this report. As such, Zhejiang Shenghua and Rise Sea ceased to be a group of controlling shareholders (the “**Shareholders**”) of the Company.

At the same time, the Offerors and parties acting in concert with each of them are interested in a total of 193,316,930 Domestic Shares and 65,022,000 H Shares, representing an aggregate of approximately 51.00% of the total issued Shares as at the date of the Rule 3.5 Announcement and this report. By virtue of the acting in concert agreement dated 25 July 2025 entered into between Shanghai Chemcloud Data Technology Co., Ltd.* (上海芯化和雲數據科技有限公司) (“**Shanghai Chemcloud**”, whereas Xinyun Zhilian and Chemcloud (HK) Data Technology Limited (“**Chemcloud (HK)**”) are wholly-owned subsidiaries of Shanghai Chemcloud) and Visionary Technology, Xinyun Zhilian and Visionary Technology, being parties acting in concert, became a group of controlling Shareholders.

Set out below is the shareholding structure of the Company after the completion of the Domestic Shares Sale and Purchase Agreement and H Shares Sale and Purchase Agreement and as at the date of this report:

Shareholders	Number of Shares held	Percentage of beneficial interests in the Company's share capital
Domestic Shares		
Xinyun Zhilian	193,316,930	38.16%
Other Domestic Shareholders	51,104,240	10.09%
H Shares		
Visionary Technology	65,022,000	12.84%
Other H Shareholders	197,103,000	38.91%
Total issued Shares held by the Offerors and parties acting in concert with each of them	258,338,930	51.00%
Total issued Shares	506,546,170	100.00%

4. Mandatory unconditional cash offers

Upon the completion of the Domestic Shares Sale and Purchase Agreement and H Shares Sale and Purchase Agreement, pursuant to Rule 26.1 of the Code on Takeovers and Mergers in Hong Kong (the “**Takeovers Code**”), Xinyun Zhilian and Chemcloud (HK) (the “**Offerors**”) were required to make mandatory unconditional general offers (the “**Offers**”) in cash for all the issued Shares, including H Shares and Domestic Shares, not already owned or agreed to be acquired by the Offerors and Visionary Technology, as set out in the Rule 3.5 Announcement, Domestic Shares Completion Announcement, H Shares Completion Announcement and joint announcement jointly issued by the Offerors and the Company dated 15 August 2025 (the “**Delay Announcement**”) regarding the delay in despatch of the Composite Document (as defined below).

In accordance with the Takeovers Code, the Offerors and the Company will jointly despatch the composite document (the “**Composite Document**”) comprising the offer document from the Offerors and response document from the Board to the Shareholders. As set out in the Delay Announcement, the Offerors and the Company will jointly despatch the Composite Document no later than 5 September 2025. The Offerors and the Company will publish further joint announcement(s) on the progress and results of the Offers (as and when appropriate).

V. EVENT AFTER THE REPORTING PERIOD

Save as the completion of the Domestic Shares Sale and Purchase Agreement and H Shares Sale and Purchase Agreement, and the change of controlling Shareholders as described in the sub-section headed “Shareholding Structure” above, there was no significant event after the reporting period.

VI. FUTURE PROSPECTS

1. Order backlog/sales contracts

During the reporting period, the Group's trading of hardware and computer software business maintained close cooperation with well-known hardware and software vendors in the industry, concentrated resources to maintain existing computer hardware sales services and system integration services and also encouraged the development of new customers, achieving certain results and improvement in customer concentration year-on-year, laying a solid foundation for the stable development of the business. However, due to the limited resources of the Group, it is needed to focus on the sustainability of order growth from major existing customers. The construction service contracts of the Group's provision of smart city solutions business were being implemented in many places in and outside Zhejiang Province as planned, and the Group has established good cooperative relationships with customers in the local cities and explored customer needs, providing construction and renovation and upgrading services for smart city solution products such as the "Digital Citizen and Citizen Card Service Platform* (數字市民及市民卡服務平台)", "Resident Service Card* (居民服務一卡通)" and "One-stop City* (一碼通城)", etc. At the same time, business contracts and orders in many other cities in provinces such as Jiangxi Province and Jiangsu Province in China were procured by way of strategic cooperation and other means. During the reporting period, some progress was made in the new customer market, but the ideal business order volume has not yet been achieved. The Group will continue to deepen its market penetration in order to deepen the cooperation intention with potential customers and lay a solid foundation for the subsequent generation of new contracts and orders. The Group's provision of e-commerce operation solution services business is looking for other suitable business opportunities to increase revenue.

2. Prospects of new business and new products

During the reporting period, the Group continued to promote business transformation and development in order to achieve effective breakthroughs in transformation. The Group expects to, under controllable overall risk, continue to seek new business opportunities by combining its existing business and technical advantages and introducing artificial intelligence technology to explore new application scenarios, integrate and optimise resources, carry out innovative development of new businesses and/or new products, and strive to build a sustainable business ecology.

On the one hand, the Group will follow the development trend of the country's accelerated construction of "digital government (數字政府)" and popularisation and application of artificial intelligence, etc., make use of the technology accumulated and customer resources in various cities in the provision of smart city solutions business, further strengthen the innovation of solutions, provide "digital empowerment (數字賦能)" to customers, and, through the continuous improvement of the products like the "Digital Citizen and Citizen Card Service Platform* (數字市民及市民卡服務平台)", "Resident Service Card* (居民服務一卡通)", "One-stop City* (一碼通城)" and "Digital Renminbi* (數字人民幣)", etc., especially the enhancement of new applications of digital citizens (數字市民) based on the artificial intelligence, innovate and expand application scenarios and service functions, such as further strengthening the development of applications like smart parks, smart trade unions, smart communities, digital villages and smart transportation. The Group will grasp the opportunity of the state and governments at all levels to accelerate the improvement of social governance and city management service efficacy, promote to customers in various cities perfect digital information services possessing "information release, information collection, traceability and behaviour management" that are convenient and beneficial to the people, provide better solutions for the advancement and improvement of their social governance and city management services, and drive the development of new customers and excavation of the new demands of old customers of the business.

On the other hand, the Group will continue to seek development in operation services. In recent years, the Group's operational services have not progressed as expected. However, the Group will continue to promote the output of operation services for smart trade unions. While providing system solution development services, it will also enhance its value-added service capabilities in order to continue to provide trade unions and their members with personalised value-added services and products, and to provide a variety of convenient and value-added services to the broad customer base of the "Digital Citizen and Citizen Card Service Platform* (數字市民及市民卡服務平台)" and "Resident Service Card* (居民服務一卡通)", etc., in the future and maximise business value.

Further, the Group will actively pursue the trading of hardware and computer software business to continue to adjust market strategy and sales structure, seize the opportunities of the development of the information and innovation industry, increase cooperation and cultivation of new brands, tap into the diverse needs of more potential high-quality customers and strengthen the development of system integration services. The Group continued to adhere to internal business collaboration, improve internal benefit sharing mechanism, encourage the business team to seek other supporting service opportunities with the help of the market development of the provision of smart city solutions business, and encourage the business team to help promote market opportunities for new applications of the provision of smart city solutions business based on its own advantages.

The year 2025 is the final year of the “Fourteenth Five-Year” strategic development plan. The Group will plan a new round of strategic planning in due course, actively and steadily advance related work, integrate and optimise resources, strengthen business development, improve internal control management, build up talent team and continue to seek acquisitions of and investments in new businesses and new projects in order to achieve an effective breakthrough in the Group’s business development through capital expansion. The Board understands that the transformation and development of the Group will not be accomplished overnight. In the process of transformation and development, there are many uncertainties, and there will inevitably be a period of development pains. However, the Board believes that the Group will seize the development opportunities brought by new technologies and new markets and, through adoption of effective measures and with the transformation breakthrough and coordinated development of various business sectors, build a unique business ecosystem with effective coverage from technology to service, from product to platform, from offline to online, and from B-end to C-end in the future. The Group’s sustainable profitability in the field of mobile Internet services will be formed which will create more business value to reward the Shareholders and society.

As disclosed in the 3.5 Announcement, it is the intention of the Offerors that the Company will remain listed on the Stock Exchange and the Group will continue with its existing principal activities after the completion of the Offers. The Company will publish further announcement(s) to inform the Shareholders of any update information on the business plan of the Group (as and when appropriate).

FINANCIAL ASSISTANCE TO AN ENTITY

The Group completed the disposal (the “**Disposal**”) of all its equity interests in Zhejiang Dianshi Technology Co., Ltd.* (浙江典石科技有限公司) (“**Zhejiang Dianshi**”) in the year 2022 and ceased the provision of maternal and infant community marketing services business. As at the date of the equity transfer agreement relating to the Disposal, Zhejiang Dianshi was indebted to the Group in the amount of RMB11,000,000 (the “**Debt**”). The Debt was unsecured and should be fully repaid by 31 December 2025, and the Group may require Zhejiang Dianshi to repay the Debt in advance through litigation and other means in certain circumstances. Interest is charged on the Debt at the rate of 5% per annum until the Debt is fully settled by Zhejiang Dianshi. The Debt was granted previously by the Group to Zhejiang Dianshi in the year 2021, when Zhejiang Dianshi and its subsidiaries (together referred to as the “**Disposal Group**”) was held by the Group, for the Disposal Group’s ordinary working capital purposes, and was not settled after the completion of the Disposal. The Company considered that if Zhejiang Dianshi were required to repay the Debt prior to the Disposal or immediately after the completion of the Disposal, the repayment of the Debt would have affected the working capital requirements for normal operations of the Disposal Group. The Directors expected that the Disposal Group will achieve an improved financial performance under the purchaser’s management and control, and seek settlement of the Debt. Since Zhejiang Dianshi ceased to be a subsidiary of the Company after the completion of the Disposal, the Debt constituted as a financial assistance. As the amount of the financial assistance exceeds 8% under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, the Debt was subject to the general disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules. Details of the Debt were set out in the announcement and circular of the Company dated 6 September 2022 and 25 November 2022, respectively.

As at 30 June 2025, the Debt was classified as loan receivable in the Group’s consolidated statement of financial position, with a zero carrying balance (31 December 2024: zero), net of accumulated allowance for impairment loss of RMB11,000,000 (31 December 2024: RMB11,000,000).

Save as disclosed herein, the Group had no financial assistances to entities and/or loans receivable which were required to be disclosed in accordance with the requirements of the GEM Listing Rules as at 30 June 2025 and 31 December 2024.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

Save as disclosed below, as at 30 June 2025, none of the Directors, supervisors or chief executives of the Company had interests in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the “SFO”)) which were required (a) pursuant to Divisions 7 and 8 of Part XV of the SFO, to be notified to the Company and the Stock Exchange (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange:

Long position in Shares

Name	Capacity and nature of interests	Number of Shares held	Percentage of beneficial interests in the Company's share capital
<i>Director and vice chairman</i>			
Mr. Chen Ping	Beneficial owner	27,294,240 Domestic Shares	5.39%

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES

For the six months ended 30 June 2025, none of the Directors, supervisors or chief executives of the Company was granted options to subscribe for the Shares (2024: nil). As at 30 June 2025, none of the Directors, supervisors or chief executives of the Company or any of their spouses and children under 18 years of age had any interests in, or had been granted any interests in, or had been granted, or exercised, had any rights to subscribe for the Shares (or warrants or debentures, if applicable) or to acquire the Shares (31 December 2024: nil).

INTERESTS DISCLOSABLE UNDER THE SFO AND THE SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, so far as was known to any Directors, supervisors or chief executives of the Company, as at 30 June 2025, there were no persons or companies (other than the interests as disclosed above held by the Directors) who had equity interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO; or who were deemed to be directly or indirectly interested in 10% or more of the nominal value of any class of share capital of the Company carrying rights to vote in all circumstances at general meetings of the Company; or who were Shareholders as recorded in the register maintained under section 336 of the SFO:

Long position in Shares

Name	Capacity and nature of interests	Number of Shares held	Percentage of beneficial interests in the Company's share capital
<i>Substantial Shareholders</i>			
Zhejiang Shenghua	Beneficial owner and interests of a controlled corporation	193,316,930 Domestic Shares (Note 1) and 117,600,000 H Shares (Note 2)	61.38%
Rise Sea	Beneficial owner	117,600,000 H Shares (Note 2)	23.22%
Deqing Huisheng Investment Company Limited* (德清匯升投資有限公司) ("Deqing Huisheng")	Interests of a controlled corporation	193,316,930 Domestic Shares (Note 1) and 117,600,000 H Shares (Note 2)	61.38%
Mr. Xia Shilin	Interests of a controlled corporation	193,316,930 Domestic Shares (Note 1) and 117,600,000 H Shares (Note 2)	61.38%

Name	Capacity and nature of interests	Number of Shares held	Percentage of beneficial interests in the Company's share capital
Ms. Qian Xiaomei	Interests of spouse	193,316,930 Domestic Shares and 117,600,000 H Shares (Note 3)	61.38%
Other persons			
Mr. Wu Menggen	Beneficial owner	21,000,000 Domestic Shares and 12,800,000 H Shares	6.67%
Ms. Dai Jihong	Interests of spouse	21,000,000 Domestic Shares and 12,800,000 H Shares (Note 4)	6.67%

Notes:

- (1) Zhejiang Shenghua, a limited company established in the PRC, is directly interested in these 193,316,930 Domestic Shares. Zhejiang Shenghua is owned as to approximately 69.54% by Deqing Huisheng, a limited company established in the PRC, which in turn is owned as to 75% by Mr. Xia Shilin. For the purposes of the SFO, Deqing Huisheng and Mr. Xia Shilin are each deemed to be interested in the 193,316,930 Domestic Shares owned by Zhejiang Shenghua.

- (2) These 117,600,000 H Shares are beneficially owned by Rise Sea. Rise Sea is a limited company incorporated in Hong Kong and is wholly-owned by Zhejiang Shenghua. Zhejiang Shenghua is owned as to approximately 69.54% by Deqing Huisheng, which in turn is owned as to 75% by Mr. Xia Shilin. For the purposes of the SFO, Zhejiang Shenghua, Deqing Huisheng and Mr. Xia Shilin are each deemed to be interested in the 117,600,000 H Shares owned by Rise Sea.
- (3) Ms. Qian Xiaomei is the spouse of Mr. Xia Shilin and, therefore, she and Mr. Xia Shilin are deemed to be interested in each other's Shares under the SFO.
- (4) Ms. Dai Jihong is the spouse of Mr. Wu Menggen and, therefore, she and Mr. Wu Menggen are deemed to be interested in each other's Shares under the SFO.

COMPETING INTERESTS

None of the Directors or the management Shareholders and their respective associates (as defined under the GEM Listing Rules) had any interests in a business which competed or might compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee in November 2001 with written terms of reference in compliance with the requirements as set out in the GEM Listing Rules. The current audit committee of the Company comprises two independent non-executive Directors, Ms. Huang Xuanzhen and Mr. Cai Jiamei, and one non-executive Director, Mr. Chen Ping, with Ms. Huang Xuanzhen as the chairman.

The condensed interim financial statements and the interim report of the Group for the six months ended 30 June 2025 have not been audited or reviewed by the Company's auditor, but have been reviewed by the Company's audit committee.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2025 (2024: nil).

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2025, the Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company confirmed that all Directors had complied with the required standard of dealings and code of conduct regarding securities transactions by the Directors throughout the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has adopted and compiled with all code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) as set forth in Appendix C1 to the GEM Listing Rules, except for the deviation from code provision C.2.1 as explained below, throughout the six months ended 30 June 2025.

The code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Wang Feng is both the chairman (the “**Chairman**”) and chief executive officer (the “**Chief Executive Officer**”) of the Company who is responsible for managing the Board and Group business. The Board believed that vesting the roles of both the Chairman and Chief Executive Officer in the same person would facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Therefore, the Board considered that the deviation from the code provision C.2.1 of Part 2 of the CG Code was appropriate in such circumstance. In addition, under the supervision of the Board which was comprised of three executive Directors, one non-executive Director and three independent non-executive Directors, the Board was appropriately structured with balance of power to provide sufficient checks to the exercise of power by the Chairman and Chief Executive Officer and protect the interests of the Company and Shareholders. However, the Board will continue to regularly review the effectiveness of the Group’s corporate governance structure to assess whether the separation of the positions of the Chairman and Chief Executive Officer is necessary.

By order of the Board
Shenghua Lande Scitech Limited*
Wang Feng
Chairman and Chief Executive Officer

Hangzhou City, the PRC, 29 August 2025

* *For identification purposes only*