# Centre Testing International Group Co., Ltd.

## 2024 Annual Report

**April 18, 2025**

# 2024 Annual Report

## Section 1 Important Notes, Table of Contents, and Definitions

**The Company's Board of Directors, Board of Supervisors, directors, supervisors, and executives guarantee that the Annual Report is truthful, accurate, and complete, without any false records, misleading statements, or material omissions, and bear individual and joint legal liabilities therefrom.**

**Wan Feng, the legal representative, Wang Hao, the accounting head, and Li Yanhong, the accounting organizer (supervisor), hereby declare to guarantee that the financial statements in the Annual Report are truthful, accurate, and complete. All directors attended the meeting of Board of Directors at which the Report was reviewed.**

**1. Risk of credibility and brand being affected by adverse events**

**Credibility and brand are the driving force for sustainable development and survival foundation for testing and certification institutions. Only if we are recognized by our clients for our technology and fairness can we gradually expand our market share and gain a favorable position in market competition. Once quality issues damage our credibility and brand, we may no longer be trusted, thus affecting our business expansion and profitability. In serious cases, even the testing and certification qualifications can be revoked, thus affecting our survivals. The Company attaches great importance to the maintenance of credibility and brand, actively advocates the integrity-based value, establishes a perfect quality control system to ensure the authenticity**

**and accuracy of test reports issued, and continuously improves testing service quality. In accordance with the requirements of ISO/IEC 17025, ISO/IEC 17020, and the *Review Criteria for Qualifications of Testing Institutions*, the Company has formulated the *Measures for Group Quality Supervision and Management*, *the Measures for Laboratory Quality Supervision and Management,* and the *Measures for Quality Professional Management* to standardize the Group's quality supervision, ensure that the testing/calibration activities carried out by the laboratories are in compliance with laws and regulations, China National Accreditation Service for Conformity Assessment (CNAS), and China Metrology Accreditation (CMA) guidelines and rules, so that quality risks can be relieved. Quality control is coordinated by the Group's QHSE Department. The Group exercises vertical control over quality, health, safety, and the environment. Each business department, subsidiary, and operating outlet supplements and formulates relevant systems, and strengthens quality control based on their respective business characteristics.**

**"Integrity" is at the top of the Company's values, while "independence", "fairness", and "honesty" are essential requirements for business. The Company has established the *Procedures for Ensuring Independence, Fairness, and Honesty* and *Procedures for Fairness Management of Certification Activities* to standardize the independence and fairness of all the Company's testing and adhere to independent, objective, and true reporting of testing and calibration results without external influence. The Company has established a fairness**

**maintenance committee to regulate and supervise the fairness of certification services. The Fairness Maintenance Committee carries out supervision and review of certification business in accordance with the *Operation Procedures of the Fairness Maintenance Management Committee*. Through regular training, the Company continuously strengthens certification personnel's familiarity with the certification system and educates them on professional ethics and codes of conduct. In the *Employee Manual*, the Company also clearly defines penalties for soliciting or accepting bribes, kickbacks, or illegal benefits.**

**The Company has developed the *Integrity Manual* in accordance with the *United Nations Convention against Corruption* and other international conventions as well as practices, integrity management technical guidelines of Transparency International, relevant national laws and regulations, and clients' integrity requirements, in which anti-corruption and anti-commercial bribery requirements in the *Code of Business Conduct* are supplemented and strengthened, and the construction of high-standard ethical operations is implemented to safeguard the brand concept and credibility value cherished by the Company from the perspective of system and technology.**

**2. Market and policy risks**

**The testing industry is an industry with strong policy orientation, and the government's development policies on the testing industry affect the development speed of the testing industry. With the development of the global testing industry, the overall trend of testing systems in various countries is**

**consistent, that is, the government or industry associations conduct industry management on testing institutions through market access rules such as assessment and accreditation, commercialize the business of testing and conformity assessment, improve service quality, and promote industrial development. Each independent testing institution operates in a market-oriented manner according to the client's requirements and the services it provides, and the service fees are determined by negotiation between the two parties. China's testing industry has long been influenced by the planned economic system. After joining the WTO, it faced pressure from the international community to accelerate the opening of the service market. Against this background, the testing industry urgently needs industry guidelines that are consistent with international rules to regulate and constrain the industry's behavior. Although open market-oriented development has been confirmed by national policies and guidelines, some local policies and regulations may still hinder the market-oriented development of the industry. There are still uncertainties in the government's openness to testing, which will bring a certain degree of risk to the Company.**

**In response to this risk, the Company has set up a special response department to pay close attention to the policy dynamics of relevant regulatory authorities, report regularly to the management, and proactively respond to possible policy risks.**

**3. Decision risks of M&A and integration risks after M&A**

**The testing and certification industry is characterized by fragmentation, spanning many industries, with each segmented industry being relatively independent and difficult to quickly replicate. Using M&A to quickly enter new fields is a common practice among international testing and certification giants, and is also one of the Company's important strategies for long-term sustainable development in the future. The selection of M&A targets and the post-merger integration are related to the success of M&A and involve great risks.**

**Abiding by the principle of prudence, the Company conducts detailed due diligence and sufficient feasibility studies, strategically selects suitable industries and high-quality targets at home and abroad, and conducts return on investment analysis in the early stages of M&A. By hiring industry professionals with integration expertise to coordinate management and operations, the Company continuously monitors whether investments align with plans and expectations to strengthen post-investment management. In response to the risks in M&A decisions, the Investment Department summarized the risks in the Company's historical investment and M&A transactions, concluded the key points of negotiation and the corresponding standard terms of equity agreements, compiled the *SPA Checklist* and *Key Issues and Solutions in M&A Transactions*, and made supplementation and improvement on a regular basis. Under the *Articles of Association* and the *Working Rules of the Strategy and ESG Committee of Board of Directors*, major**

**investment matters are managed and controlled by the Investment Committee to demonstrate the feasibility of the item; they are submitted to the Strategy and ESG Committee of Board of Directors, the Board of Directors, and the General Meeting of Shareholders for review based on their decision-making authority, improving the scientific nature and quality of the Company's major investment decisions. In response to the risks of post-investment management, the financial and human resources departments have prepared personnel reserves and added experts to the lean team to lay the foundation for the future output of lean management capabilities.**

**4. Risk of laboratory investment not meeting expectations**

**The Company has a first-mover advantage in the testing industry. In order to accelerate the layout of the national testing market, the Company has built a number of laboratories with international or domestic leading levels in recent years. Under the background of continuous innovation in new technologies and industries such as new energy, new materials, high-end equipment, artificial intelligence, as well as life and health, the testing industry is presented with both more opportunities and challenges. The Company has increased investment in medicine and health, new material testing, semiconductor chip, rail transit, new energy vehicles, and Internet of Vehicles, positioning these as key growth areas for the medium and long term. A laboratory can only begin operations after completing construction, hiring personnel, purchasing and reviewing equipment, and obtaining qualifications.**

**It takes a certain period of time to achieve a break-even point. If the production capacity of the newly built laboratory does not meet expectations, it may affect the Company's profits. Going forward, the Company will focus on constructing new laboratories, improving their operational efficiency, gradually ramping up production capacity, and achieving economies of scale to drive steady income and profit growth.**

**The Company will conduct budget management and control over capital expenditures other than M&A, and conduct detailed return on investment analysis, evaluate the rationality and necessity of various investments, and reasonably control the investment pace.**

**The profit distribution plan of the Company upon review and approval of Board of Directors: Based on the total share capital that can participate in profit distribution on the equity registration date when the Company implements the profit distribution plan (excluding shares in the special securities account for repurchase), a cash dividend of 1 yuan (tax included) will be distributed to all shareholders for every 10 shares, and 0 bonus share will be given (tax included), the capital reserve fund will be used to transfer 0 share to all shareholders for every 10 shares.**

# Table of Contents

# Table of Document Contents for Reference

(I) The financial statement signed and sealed by Wan Feng, the legal representative, Wang Hao, the accounting head, and Li Yanhong, the accounting organizer.

(II) The original audit report sealed by the accounting firm, and signed and sealed by the certified public accountant.

(III) The text of 2024 Annual Report signed by the legal representative, Wan Feng.

(IV) The originals of all company documents and announcements that have been publicly disclosed on the designated website of the CSRC during the reporting period.

(V) Other relevant information.

# Definitions

| Terms | Refer(s) to | Definitions |
|---|---|---|
| The company, the Company, and CTI | Refer(s) to | Centre Testing International Group Co., Ltd. |
| Shareholders and General Meeting of Shareholders | Refer(s) to | Shareholders and General Meeting of Shareholders of Centre Testing International Group Co., Ltd. |
| Directors and Board of Directors | Refer(s) to | Directors and Board of Directors of Centre Testing International Group Co., Ltd. |
| Supervisors and Board of Supervisors | Refer(s) to | Supervisors and Board of Supervisors of Centre Testing International Group Co., Ltd. |
| Articles of Association | Refer(s) to | Articles of Association of Centre Testing International Group Co., Ltd. |
| Third-party testing institution | Refer(s) to | An independent and fair non-governmental testing institution independent of the interests and legal identities of the parties to trade, transactions, sales, cooperation, and disputes. Third-party testing services perform testing independently and fairly in accordance with standards, contracts or agreements across multiple industry fields. The test process and results are not influenced by any client or other external party. |
| CSRC | Refer(s) to | China Securities Regulatory Commission |
| SZSE | Refer(s) to | Shenzhen Stock Exchange |
| Reporting period and the same period last year | Refer(s) to | January 1, 2024 to December 31, 2024, January 1, 2023 to December 31, 2023 |
| Yuan/10,000 yuan/100 million yuan | Refer(s) to | CNY/ CNY 10,000/ CNY 100 million |

# Section 2 Company Profile and Main Financial Indicators

## I. Company information

| | | | |
|---|---|---|---|
| Share name | CTI | Stock code | 300012 |
| Chinese name of the Company | 华测检测认证集团股份有限公司 | | |
| Chinese abbreviation of the Company | 华测检测 | | |
| Foreign name of the Company (if any) | Centre Testing International Group Co. Ltd. | | |
| Foreign name abbreviation of the Company (if any) | CTI | | |
| Legal representative of the Company | Wan Feng | | |
| Registered address | Room 101, Building 1, CTI Building, Xingdong Community, Xin'an Street, Bao'an District, Shenzhen | | |
| Postal code of registered address | 518101 | | |
| Historical change in registered address of the Company | On August 8, 2018, the registered address was changed from Floor 1, Building C, Hongwei Industrial Park, No. 6 Liuxian 3rd Road, District 70, Bao'an District, Shenzhen to Room 101, Building 1, CTI Building, No. 4 Liuxian 3rd Road, Xin'an Street, Bao'an District, Shenzhen | | |
| Office address | CTI Building, No. 4 Liuxian 3rd Road, Xin'an Street, Bao'an District, Shenzhen | | |
| Postal code office address | 518101 | | |
| Official website | www.cti-cert.com | | |
| E-mail | security@cti-cert.com | | |

## II. Contact information

| | Secretary of Board of Directors | Securities Affairs Representative |
|---|---|---|
| Name | Jiang Hua | Ou Jin |
| Contact address | CTI Building, No. 4 Liuxian 3rd Road, Xin'an Street, Bao'an District, Shenzhen | CTI Building, No. 4 Liuxian 3rd Road, Xin'an Street, Bao'an District, Shenzhen |
| Tel. | 0755-33682137 | 0755-33682137 |
| Fax | 0755-33682137 | 0755-33682137 |
| E-mail | security@cti-cert.com | security@cti-cert.com |

## III. Information disclosure and Storage location

| | |
|---|---|
| The share exchange website where the Company discloses its Annual Report | *Securities Times* and *ShangHai Securities News* |
| Name and website of the media where the Company discloses its Annual Report | www.cninfo.com.cn |
| Storage location of the Company's Annual Report | Office of Board of Directors of Centre Testing International Group Co., Ltd. |

## IV. Other relevant information

Accounting firm hired by the Company

| | |
|---|---|
| Name of accounting firm | Beijing Dehao International Certified Public Accountants (Special General Partnership) |
| Office address of accounting firm | Room 519A, Floor 5, No. 3 Fuchengmenwai Street, Xicheng District, Beijing, China |
| Names of signing accountants | Zhou Junxiang and Huang Jialin |

The sponsor institution hired by the Company to perform continuous supervision responsibilities during the reporting period

□ Applicable ☑ Not applicable

The financial consultant hired by the Company to perform continuous supervision responsibilities during the reporting period

□ Applicable ☑ Not applicable

## V. Main accounting data and financial indicators

Whether the Company needs to retroactively adjust or restate previous years' accounting data

□ Yes ☑ No

| | 2024 | 2023 | Increase or decrease in the current year compared with last year | 2022 |
|---|---|---|---|---|
| Operating revenue (CNY) | 6,084,016,542.19 | 5,604,624,525.83 | 8.55% | 5,130,710,067.66 |
| Net profit attributable to shareholders of the listed company (CNY) | 921,073,108.56 | 910,203,484.57 | 1.19% | 902,731,908.18 |
| Net profit attributable to shareholders of the listed company after deduction of non-recurring profit and loss (CNY) | 860,428,668.83 | 783,729,247.84 | 9.79% | 798,208,182.29 |
| Net cash flows from operating activities (CNY) | 1,062,899,936.83 | 1,122,394,756.87 | -5.30% | 1,100,448,099.99 |
| Basic earnings per share (CNY/share) | 0.5500 | 0.5474 | 0.47% | 0.5403 |
| Diluted earnings per share (CNY/share) | 0.5500 | 0.5474 | 0.47% | 0.5403 |
| ROE | 14.07% | 15.55% | Decreased by 1.48 percentage points | 18.18% |
| EBITDA (earnings before interest, taxes, depreciation, and amortization) | 1,539,358,712.28 | 1,521,161,965.79 | 1.20% | 1,496,146,541.14 |
| | End of 2024 | End of 2023 | Increase or decrease at the end of the current year compared with the end of last year | End of 2022 |
| Total assets (CNY) | 9,452,604,079.86 | 8,749,114,094.50 | 8.04% | 7,832,630,435.63 |
| Net asset attributable to shareholders of the listed company (CNY) | 6,913,388,893.02 | 6,205,345,102.90 | 11.41% | 5,475,514,893.90 |

The Company's net profit before and after deduction of non-recurring profit and loss in the past three fiscal years, whichever is lower, is negative, and the audit report for the most recent year shows that there is uncertainty in the Company's ability to continue operating

□ Yes ☑ No

The lower of the net profit before and after deduction of non-recurring profit and loss is negative

□ Yes ☑ No

Whether the Company's share capital has changed and affected the amount of owner's equity due to the issuance of new shares, additional issues, rights issues, equity incentive exercise, repurchase, and other reasons on the disclosure date from the end of the period to the Annual Report

☑ Yes □ No

| | |
|---|---|
| Dividends paid on preferred stock | 0.00 |
| Interests paid on perpetual bond (CNY) | 0.00 |
| Fully diluted earnings per share calculated based on the latest share capital (CNY/share) | 0.5473 |

## VI. Main financial indicators by quarter

Unit: CNY

| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| Operating revenue | 1,191,912,757.30 | 1,599,213,049.50 | 1,604,872,614.87 | 1,688,018,120.52 |
| Net profit attributable to shareholders of the listed company | 132,541,651.89 | 304,053,063.59 | 310,104,884.07 | 174,373,509.01 |
| Net profit attributable to shareholders of the listed company after deduction of non-recurring profit and loss | 112,611,258.54 | 290,199,284.01 | 298,298,425.84 | 159,319,700.44 |
| Net cash flows from operating activities | -170,020,188.80 | 192,233,514.30 | 251,404,364.33 | 789,282,247.00 |

Are there any significant differences between the above financial indicators or their totals and the relevant financial indicators disclosed by the Company in quarterly reports and semi-annual reports?

□ Yes ☑ No

## VII. Differences in accounting data under domestic and foreign accounting criteria

### 1. Differences in net profits and net assets in financial reports disclosed in accordance with both international accounting standards and Chinese accounting standards

□ Applicable ☑ Not applicable

During the reporting period, there were no differences in net profits and net assets in financial reports disclosed in accordance with both international accounting standards and Chinese accounting standards.

### 2. Differences in net profits and net assets in financial reports disclosed in accordance with both oversea accounting standards and Chinese accounting standards

□ Applicable ☑ Not applicable

During the reporting period, there were no differences in net profits and net assets in financial reports disclosed in accordance with both oversea accounting standards and Chinese accounting standards.

## VIII. Items and amounts of non-recurring profit and loss

☑ Applicable □ Not applicable

Unit: CNY

| Items | Amounts in 2024 | Amounts in 2023 | Amounts in 2022 | Description |
| --- | --- | --- | --- | --- |
| Profit and loss from disposal of non-current assets (including the write-off of asset impairment provisions) | -2,124,326.71 | -2,424,535.41 | 222,582.20 | Profit and loss from disposal of fixed assets and investment incomes from disposal of long-term equity investments, etc. |
| Governmental subsidies included in the current profit and loss (excluding governmental subsidies that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed in accordance with determined standards, and have a lasting impact on the Company's profit and loss) | 50,415,470.31 | 92,972,326.72 | 96,961,312.09 | Government subsidies. |
| In addition to the effective hedging business related to the normal operation of the Company, the profit or loss of fair value changes from holding of financial assets and financial liabilities by non-financial enterprises and the profit or loss from disposal of financial assets and financial liabilities | 5,939,243.19 | 37,289,526.75 | 9,543,708.82 | Gains/losses from changes in the fair value of held/disposed other non-current financial assets, and gains/losses from changes in the fair value of financial liabilities held for trading, etc. |
| Profit and loss from entrusting others to invest or manage assets | 10,773,412.00 | 9,013,472.23 | 11,786,873.48 | Profit from financial products. |
| Reversal of impairment provision for accounts receivable that has been individually tested for impairment | 1,380,453.33 | 613,961.57 | 265,162.58 | |
| Other non-operating revenues and expenditures other than the above | 3,762,913.46 | 7,975,277.91 | 3,085,839.77 | |
| Less: Affected income tax amount | 6,697,711.69 | 16,276,339.25 | 14,738,451.10 | |
| Affected minority shareholders' interest amount (after-tax) | 2,805,014.16 | 2,689,453.79 | 2,603,301.95 | |
| Total | 60,644,439.73 | 126,474,236.73 | 104,523,725.89 | -- |

Specific conditions of other profit and loss items meeting the definition of non-recurring profit and loss:

□ Applicable ☑ Not applicable

The Company does not have any other specific conditions of profit and loss items meeting the definition of non-recurring profit and loss.

Description of the definition of non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure of Publicly Issued Securities Companies - Non-recurring Profit and Loss* as recurring profit and loss items

□ Applicable ☑ Not applicable

The Company does not have any of the non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure of Publicly Issued Securities Companies - Non-recurring Profit and Loss* defined as recurring profit and loss items.

# Section 3 Management Discussion and Analysis

## I. Industrial condition of the Company during the reporting period

The Company is a comprehensive third-party organization integrating testing, calibration, inspection, certification, and technical services, providing one-stop solutions to clients worldwide. In accordance with the *Guidelines on Industry Classification of the Listed Companies* (2012 Revision) issued by CSRC, the Company belongs to “M74 professional technical service industry”. In accordance with the *Classification of Strategic Emerging Industries (2018)* issued by the State Statistics Bureau, the Company belongs to “quality inspection technical service industry” among strategic emerging industries. The testing industry has been listed as a high-tech service industry, S&T service industry, producer service industry, and strategic emerging industry in China. It is an important part of the national quality infrastructure and crucial for constructing a country with high-quality products, robust service and manufacturing, promoting industrial upgrading, improving product quality, and promoting high-quality economic and social development.

(I) Development landscape of the inspection and testing industry

1. Continued overall growth trend

According to the *2023 National Statistical Report on the Inspection and Testing Service Industry* released by the State Administration for Market Regulation, China’s inspection and testing industry maintained its growth trend. By the end of 2023, China had 53,834 inspection and testing institutions, with a year-on-year increase of 2.02%. Annual operating revenue reached CNY 467.009 billion, with a year-on-year growth of 9.22%. The growth rate was higher than that in 2022. This demonstrates the industry’s strong adaptability and resilience amid the broader economic restructuring.

2. Ongoing market structure optimization

Market-oriented reforms of public institution-based inspection and testing agencies have progressed steadily, with their proportion declining year by year, while corporate entities have gained increasing market share. In 2023, the number of private inspection and testing institutions grew by 5.03%, generating CNY 186.706 billion in revenue, with a year-on-year increase of 6.13%. Although the revenue growth slowed slightly, private institutions have become increasingly active and influential, emerging as a key driver of industry development.

The industry’s consolidation continued to rise. By the end of 2023, the number of large-scale inspection and testing institutions nationwide reached 7,558, a year-on-year increase of 6.63%, with operating revenues reached CNY 375.122 billion, a year-on-year growth of 11.50%. Although large-scale inspection and testing institutions accounted for only 14.04% of the total industry, their revenue share reached 80.32%. This indicates that, driven by both government and market forces, a large number of Chinese inspection and testing brands with strong economies of scale, advanced technical capabilities, and excellent industry reputation are rapidly emerging, effectively promoting the optimization, strengthening, and consolidated development of the inspection and testing service industry.

3. Increasing divergence in field development

Differentiated development in the test field is continuously expanded. Emerging fields such as electronics [including electronic and electric equipment, machinery (including automobile), material testing, medicine, electricity (including nuclear power), energy, software, and informatization)] maintained rapid growth. With the rapid development of technology and accelerated industrial upgrading, the demand for inspection and testing in these emerging fields has experienced explosive growth, driving continuous innovation and improvement in related inspection and testing services to meet increasingly complex and diverse market demands. Traditional fields [including construction engineering, building materials, environment and environmental protection (excluding environmental monitoring), food, motor vehicle inspection, agricultural products, forestry, as well as fisheries and animal husbandry] demonstrated a declining share of total industry revenue, dropping from 47.09% in 2016 to 38.32% in 2023.

(II) Development trend of the inspection and testing industry

In the current complex and transformative macro environment, the development of the inspection and testing industry is influenced by multiple factors, presenting a landscape of both opportunities and challenges. From a macroeconomic perspective, China's economy has entered an era of stock-based growth, where the pains of deep structural adjustment and the "involution" phenomenon caused by overcapacity are expected to persist. Against this economic background, development speeds across industries have generally slowed. The stagnation or even reversal of globalization has also brought numerous challenges to the inspection and testing industry. Testing serves economic development and industrial upgrading. As economic operations continue to recover, a new round of technological revolution as well as industrial transformation and upgrading will bring new development opportunities to the testing industry. Industry demand is expected to continue to recover, and the testing industry will grow in the medium and long term. Momentum remains and long-term resilience remains strong.

The accelerated advancement of technology has created new development opportunities for the inspection and testing industry. Currently, fields such as AI, humanoid robots, new energy vehicles, the low-altitude economy, and information security are in a phase of rapid growth. The rise of these emerging technology fields has opened up entirely new business growth opportunities for the inspection and testing industry, prompting continuous increases in investment in technological R&D and innovation in testing technologies and service models to meet the demands of rapidly developing emerging industries. Changes in China's social structure have also significantly impacted the inspection and testing industry. With the arrival of the aging era, the "silver" economy is gradually emerging, leading to growing demand for inspection and testing in related fields. At the same time, despite an overall trend of consumption downgrading, the public's pursuit of quality living remains unchanged. Consumers are placing greater emphasis on product quality and safety, besides, they are willing to pay for products that have undergone authoritative inspection and testing with guaranteed quality.

This encourages enterprises to pay more attention to product inspection and testing, thereby driving the development of the inspection and testing industry. The trend of traditional industry relocation and high-end industry exports in China has also created new development opportunities for the inspection and testing industry. During the relocation of traditional industries to other regions, inspection and testing institutions can leverage their professional service capabilities to provide comprehensive testing solutions. For high-end industry exports, such as high-end manufacturing products, enterprises require professional inspection and testing institutions to provide authoritative testing and certification services to meet stringent international specifications and personalized client requirements, helping products establish a strong quality image in international markets and enhance global competitiveness. This undoubtedly presents significant international development opportunities for the inspection and testing industry.

From industry data, the concentration of the inspection and testing industry continues to increase, with larger and more capable institutions gradually gaining competitive advantages in the market. The market is undergoing accelerated consolidation, and the benefits of branding, refined operations, and strategic M&A are becoming increasingly evident. On the one hand, the industry needs to align with technological trends, increase investment in emerging fields, enhance technological innovation capabilities, and continuously expand the boundaries of testing technologies to meet the increasingly complex and diverse testing demands of emerging industries. On the other hand, by strengthening brand building, improving service quality and client satisfaction, and establishing a strong brand image, market competitiveness can be enhanced. Simultaneously, through strategic M&A, optimal resource allocation and scale expansion can be achieved, improving the overall consolidation level of the industry. In addition, the industry must closely monitor policy directions, follow national strategies such as building a quality-driven nation and green development, and precisely target key development areas to provide robust technical support for sustainable economic and social development, achieving high-quality and sustainable industry growth.

## II. The Company's main business during the reporting period

During the reporting period, the Company's core business remained unchanged. Its operations can be divided into five major business segments, with service capabilities comprehensively covering food and agricultural products, the environment, construction engineering and industrial services, pharmaceutical and medicine, metrology and calibration, new-energy automobiles, shipping, chips and semiconductors, cosmetics and pet food, low-carbon environment protection and green certification, rail transit and aerospace materials, as well as their upstream and downstream supply chain industries. By the end of the reporting period, the Company has established 160+ laboratories and 260+ service networks in over 90 cities across 10+ countries and regions worldwide. Each year, it provides over 4 million inspection and certification reports and nearly 1.5 million certificates with credibility, serving 100,000+ global clients.

1. Food, agricultural, and health products and services

The Food, Agricultural, and Health Products Department is one of the Company's core business departments. Upon establishment of the product lines and special teams including food, agricultural products, special foods and daily chemical products, rapid testing and animal nutrition and health, certification audits, training centers, and the Research Institute of Food, Agricultural, and Health Products, the Company has built an independent, professional, comprehensive, and national laboratory and service network to provide a full range of technical services for government supervision and food supply chain enterprises. The service fields cover planting and breeding, primary production, processing and packaging, storage and transportation, distribution and retail, import and export, etc., and actively participate in the R&D and risk management of food enterprises on the basis of testing, certification, auditing, training, consulting and other businesses, provide one-stop quality management solutions for food supply chain, and grant technical support for the operation and supply chain management of enterprises.

2. Environmental testing business

The Company is the earliest private third-party environmental testing institution in China, with service fields including ecological environment testing, automatic environmental monitoring, marine environment, occupational hygiene, public health, radiation health, agricultural environment, Third National Soil Survey, rail transit ecology, judicial assessment, and environmental management in the petrochemical industry, thus providing governments, enterprises and various organizations with environmental monitoring and environmental health and safety technical services in multiple fields across China. To date, the Environment Business Department has implemented more than 5,000 test items and developed more than 3,500 certified and recognized assays. The Environment Business Department actively researches and develops new testing technologies, strategically positions itself in emerging niche sectors, and continuously introduces new services such as emerging contaminants assessment and detection, ecological surveys, site investigation, assessment, and remediation planning. These efforts provide professional technical support for environmental protection initiatives and create green value for social development.

3. Construction engineering and industrial services

Relying on the brand advantages of "CTI Engineering", "CTI Material", "CTI Rail", "CTI Industry" and "CTI Fire Fighting", the Construction Engineering and Industrial Service Department provides clients with one-stop services such as laboratory testing, non-destructive testing, product testing and certification, consulting and project management, covering fields including civil and public buildings, municipal engineering, building materials, rail transit, fire and flame retardant materials, metal and non-metal materials, industrial products and complete sets of equipment, as well as the full-cycle management of large-scale industrial projects. The Company boasts an extensive network of laboratories and service outlets across the country, supported by experienced inspection and certification teams as well as technical experts. This enables the provision of fast, efficient, and professional services to clients in various industries, helping enterprises control product quality, supervise engineering quality, mitigate unknown risks, and enhance market competitiveness.

4. Metrology and digitization services

The Metrology and Digital Department is one of the Company’s core business departments, covering metrology and calibration, reference substance and proficiency testing, imported commodities and luxury goods identification and testing, laboratory preparation and design, and qualification consulting, with its laboratory having item calibration and test capabilities recognized by CNAS. The metrology product line has more than 6,400 recognized capabilities in metrology professional fields such as geometry, thermodynamics, mechanics, acoustics, electromagnetism, radio, time and frequency, optics, chemistry, and ionizing radiation, and has domestic first-class metrology standards and precision instruments. The digitization product line “one-stop” high-quality digitization service has expanded from a single government field to multiple fields such as medicine, finance, education, transportation and enterprise, covering electronic authentication, commercial cryptography technology, network security level protection, software security applications and other business segments, the service covers most of the provinces and cities nationwide, can meet the needs of major enterprise clients multi-location business services.

5. Maritime and natural resource services

The Company can provide international third-party testing, consultating and natural resources testing services in the fields of energy/energy efficiency, maritime environment, engineering technology for shipping companies, shipyards, and ship accessory enterprises worldwide. The Company is an ISO/IEC 17020 accredited testing institution and an ISO/IEC 17025 accredited laboratory, whose services cover bunker quantity survey (BQS), discharged water compliance services, IHM and IHM maintenance, asbestos survey and asbestos-free certification, green ship breaking supervision, marine fuel quality testing and solutions (including biofuel and methanol), lubricating oil testing, ship hazardous substances testing, water quality testing, technical solutions (including fuel monitoring systems, energy efficiency optimization devices), ship performance/operation management, ship ESG sustainable development report, E-logbook, cylinder oil optimization solutions for cylinder liner wearing, providing one-stop maritime services.

6. Green, low-carbon and ESG services

The Company is an independent third-party professional certification institution approved by China Certification and Accreditation Administration (CNCA) and accredited by China National Accreditation Service for Conformity Assessment (CNAS). As one of the first certification institutions in China to be established, approved and recognized by the state, CTI regards green, low-carbon, sustainable development and ESG business as the key directions of its future development. The Company is committed to fulfilling its sustainable development responsibilities and providing a variety of services to its clients, including organization of carbon verification (ISO 14064-1), product carbon footprint certification (ISO 14067), GHG emission reduction project validation and certification, carbon peaking and carbon neutrality planning, carbon-neutral certification, green assessment services, energy-saving diagnosis and assessment, EHS compliance evaluation, ESG report/rating upgrade/strategic planning /database services, green finance information disclosure, green finance project assessment and certification.

The Company has over decade of in-depth experience in the field of sustainable development, and has obtained qualifications in the field of sustainable development granted by many international and domestic authoritative organizations. With a professional and experienced technical team, it is able to provide enterprises with one-stop sustainable development services, helping enterprises to achieve green and low-carbon development, improve environmental, social and governance performance, and contribute to the sustainable development of enterprises; it has years of service experience and expertise in the ESG and green finance fields, as well as an in-depth understanding of the latest trends, regulations and standards in the ESG and green finance fields. It can respond quickly to client needs and deliver high-quality service results on time. It is committed to providing clients with professional, efficient and reliable service products, always adhering to the client-oriented service concept, and helping clients achieve sustainable development and long-term competitive advantages.

7. Consumer goods services

The Company provides consumer goods services in fields such as electronic and electric equipment, chips, textiles and garments, bags, shoes, toys, baby and children’s supplies, students’ supplies, furniture, food contact materials, groceries and sports equipment. The Company’s light industry and toy supplies focus on consumer goods safety, offering professional technical services in testing, certification, auditing, training, and consulting. Its laboratories are accredited by CNAS, CMA, UKAS, and

CPSC. As an EU Notified Body (NB) for CE certification, it is also a designated CCC certification body and testing laboratory for toys and children's vehicles. The division has undertaken multiple national and regional market surveillance sampling projects for toys, stationery, and food contact materials, promoting compliance and innovation. The textiles and garments, shoes and bags services are dedicated to providing testing services for raw materials such as textiles and leather, as well as finished products including garments, shoes, bags, and accessories, for clients. These services cover testing of physical performance and hazardous substance assay. With extensive experience in regulatory and standards compliance training, quality management, and product performance improvement, the division offers professional one-stop solutions. Its laboratories hold CNAS, CMA, and CPSC accreditations and are fully authorized ZDHC MRSL testing laboratories, providing comprehensive testing and certification services for chemical suppliers. The product line has also conducted multiple national and regional market surveillance sampling projects for apparel, shoes, and bags, safeguarding the safety of consumer goods. In the semiconductor field, the Company is committed to providing one-stop testing, analysis, and certification solutions for clients in the consumer goods, industrial, and automotive semiconductor industries. Services include technical consulting, test design planning, hardware design and production, reliability testing, destructive physical analysis, failure analysis, and product certification for integrated circuits, discrete devices, power devices, sensors, passive components, and optoelectronic devices. With four semiconductor testing and analysis laboratories in Shanghai's Zhangjiang, Jinqiao, and Pujiang, as well as in Hefei, totaling over 10,000 $m^2$, the Company has established a complete testing platform accredited by CNAS, ISO 9001, ISO 17025, ISO 27001, and ANSI/ESD S20.20.

8. Automobile and metal material services

Established in 2007, the Automobile Department is the earliest professional laboratory for transportation services in China. To date, the Company has obtained international and domestic system accreditations including CNAS, CMA, A2LA, NADCAP, and AS9100, and has assembled a professional technical team. It has established specialized laboratories in all major automotive industry clusters in China, with a service network covering industrial bases nationwide. The services span automotive materials testing, environmental and chemical testing, interior and exterior decorating parts testing, structural parts testing, automotive optical components testing, fasteners testing, as well as aviation materials testing, intelligent connected vehicles and automotive inspection without disassembly, providing one-stop solutions in testing, analyzing, auditing and training for enterprise clients.

9. Electronic technology services

The Electronic Technology Department has built a 3-m anechoic chamber, a 10-m anechoic chamber and a shielded room in East China and South China respectively; and has set up a safety laboratory, and an energy efficiency laboratory. Its service scope covers clinical diagnostics, conventional pathology/molecular pathology diagnostics, genetic testing, precision clinical testing, metabolomics, and S&T services. Electronic and electric equipment, automotive electronic parts and components, rail transit locomotives and parts and components, electrical equipment, large machinery and medical devices. Service items include safety testing, energy efficiency testing, EMC testing, automotive electronics EMC testing, wireless radio frequency testing, health lighting testing, EMC on-site testing and other testing services, as well as machinery directive certification and multi-national certification services; in Singapore, CTI is accredited to issue CB certification, providing clients with one-stop services from testing to certification. Safety testing, energy efficiency testing, EMC testing, automotive electronics EMC testing, wireless radio frequency testing, health lighting testing, EMC on-site testing and other testing services, as well as machinery directive certification and multi-national certification services; In Singapore, CTI is accredited to issue CB certification, providing clients with one-stop services from testing to certification.

10. Pharmaceutical and medical services

The multidisciplinary professional team of the Pharmaceutical and Medical Service Department has rich service experience in pharmaceutical, medicine, medical device and health management, and has developed unique technical service capabilities in various fields. Equipped with a full-fledged quality system (CNAS/CMA/ISO/GLP/GMP) and pharmaceutical and clinical data management system, the team can provide the industry with comprehensive service solutions in pharmaceutical, medicine, medical device and health management, including pharmaceutical CMC study, generic drug consistency evaluation, innovative drug non-clinical study, pre-clinical PD and PK services, pharmaceutical and medical device testing and analysis services; at the same time, the team can provide registration consulting services for pharmaceutical companies, helping in drug registration application in CDE, FDA and EMEA. In the medical field, CTI can provide independent third-party ICL services of medical testing such as clinical diagnosis, conventional pathology/molecular pathology diagnosis, genetic testing, precision clinical testing, metabonomic and S&T services. Meanwhile, the team can provide health examinations and health management services for office workers.

## III. Core competitiveness analysis

1. Advantages in brand and credibility

Brand and credibility are keys to the survival and development of an independent third-party testing institution. Adhering to the values of “Integrity, Collaboration, Expertise, Innovation, and Client First” and taking “building trust and ensuring quality of life for all” as the mission, the Company comprehensively safeguard quality and safety, and strive to realize the beautiful vision of “CTI is always by your side”. The Company has established a laboratory management system compliant with ISO/IEC 17025 and an inspection body management system compliant with ISO/IEC 17020. It is certified by CNAS, qualified by CMA, and designated as a notified institution by both China Compulsory Certification (CCC) and EU NB. The Company is an APSCA Full Member, an EU CE-marked institution for PPE, a FOSTA-accredited inspection body, a testing institution authorized by South African Bureau of Standards, as well as the only Chinese organization to attain Global Carbon Council (GCC) qualification. Meanwhile, it has obtained a complete set of certification and testing laboratory qualifications for toys and strollers from CCC. The comprehensive qualification and accreditation enhanced the international credibility of the Company’s test reports.

The Company applies a cutting-edge laboratory information management system (LIMS) to manage laboratory personnel, equipment, test methods and samples, so that client samples are under management throughout the entire circulation and test process in laboratories. The LIMS system tracks samples throughout the circulation process via codes and barcodes, making labels such as product brands and manufacturers invisible, ensuring that personnel involved in each link cannot know the actual provider or client of the samples, effectively avoiding fraud such as data modification. At the same time, information-based experimental process and paperless office assure comprehensive control and management over the organization, analysis, processing, inquiry of experimental data, as well as quality activities in the experimental process, so as to ensure the truthfulness and reliability of the reports issued.

During its development, the Company constantly follows the basic principle of “honest operation and independent judgment”. Strictly following standards such as ISO/IEC 17025, ISO/IEC 17020, the *Review Guidelines for Qualification Accreditation of Inspection and Testing Institutions*, and its internal *Group Quality Supervision and Management Measures*, the Company has established a comprehensive quality management system. Through multidimensional measures such as quality reviews, special audits, internal audits, and management reviews, the Company fully implements group-wide quality management requirements to ensure the accuracy and authenticity of testing services, thereby solidifying the foundation for its brand reputation and credibility.

The Company has established a hierarchical quality management organizational structure. At the group level, the QHSE department oversees quality control, while individual business divisions, subsidiaries, and operational branches develop and refine relevant systems based on their operational characteristics to strengthen quality management. The QHSE Department of the Group actively explores scientific and comprehensive quality management strategies. Through continuous quality management practices, research on management methods, development of technical talents, digital quality management, and quality management exchanges within the TIC industry, it strives to become a talent, efficient, and trusted benchmark team for QHSE management in the TIC industry.

Leveraging its keen insights and professional foresight into industry policies and regulatory trends, the QHSE Department of the Group proactively adjusts compliance supervision strategies, clarifies key management areas, and refines inspection content, using these as critical benchmarks for supervision and checks. In 2024, the department conducted highly-targeted unannounced inspections covering 41 subsidiaries in 36 cities listed in the Company’s key catalog management, effectively ensuring the sustained, healthy, and stable operation of the business. Regarding the HSE management, the Company strictly adheres to a three-tier HSE inspection mechanism, driving subsidiaries to fully implement HSE requirements. By 2024, three-tier HSE inspections had been completed for subsidiaries in 53 cities, actively supporting risk identification and opportunity improvement while safeguarding operational and production safety across all fronts. Additionally, building on the three-tier routine inspections, the department formulated and implemented more refined specialized supervision strategies covering critical areas such as electrical hazard identification, building electrical fire prevention testing, and chemical and special equipment inspections. Each inspection was precisely targeted, effectively uncovering and addressing potential issues to firmly secure the safety lifeline.

In 2024, the QHSE Department of the Group independently developed a systematic management approach for inspection results and established a laboratory classification mechanism for key fields such as food, environment, construction engineering, specialty chemicals, daily chemicals, and feed. Laboratories were scientifically scored and rated based on internal supervision outcomes, with differentiated management and corresponding control measures implemented accordingly, significantly enhancing management efficiency. The Company continued to innovate its risk management model by introducing the “Laboratory Quality Risk Management Accountability System”, piloted in select regions. Centered on frontline employees, this system defines risk responsibilities at all levels, greatly strengthening organization-wide risk awareness while promoting opportunity identification, efficient communication, and rapid response. The pilot phase yielded remarkable results, with plans to gradually roll it out group-wide in 2025, offering an innovative model for quality management in the industry.

In 2024, the QHSE Department of the Group actively responded to digital transformation trends by establishing a more flexible and efficient online management platform group-wide to integrate quality data management processes. This platform comprehensively covers key modules such as monthly quality reports, internal audits, management reviews, talent management, and internal/external satisfaction surveys, enabling streamlined data entry, efficient approval workflows, and timely dissemination. This has significantly improved the efficiency and transparency of quality management efforts, breaking down information silos and fostering cross-departmental collaboration. The QHSE Department of the Group focused on building foundational information for its compliance management system, which includes extensive and comprehensive content such as a compliance resource library, standardized laboratory internal control systems, supervision tools and methods, a “Three-Three Model” for opportunity improvement, quality compliance performance assessment, and RIMS application tutorials. Through offline pilot runs, the RIMS system demonstrated notable success in addressing technical challenges in compliance management, standardizing process management, and effectively enhancing the quality and efficiency of compliance efforts. Given its significant potential during the pilot phase, the Company has designated RIMS as a key development project for 2025. In collaboration with the Group Information Resource Management Department, it will consolidate superior resources to develop an innovative system with unique industry-specific features.

2. Talent development and organizational capability advantages

The Company’s core management team possesses extensive industry expertise cultivated through years of dedicated work in the testing field. With acute insights into industry trends and market dynamics, the team formulates visionary yet pragmatic corporate strategies, maintaining the Company’s position as a benchmark enterprise in testing. Sustainable corporate development hinges on team growth. The Company values employee growth, commits to becoming a platform suitable for employees’ career development, encourages employees to become experts or managers in their respective professions in the form of dual-channel career development, thus to become experts or professional managers in their fields based on the actual situation. Additionally, the Company taps into employee potential and grants adequate opportunities for adaptation and attempt, so that every employee can strike a dynamic balance between self-worth and business growth. To establish a robust talent cultivation system, the Company has implemented comprehensive employee training management protocols including the *Centre Testing International Group Training Management Manual*, *Group Certified Trainer Management System*, *Group External Training Management System*, and *E-Learning Platform Management System*. Aligned with strategic objectives and employee development needs, the Company has invested in building structured programs for new hires, general staff, technical upskilling, and leadership development. The meticulously prepared *Annual Group Training Plan* leverages the E-Learning platform to create a diversified course repository, allowing employees to select online modules based on individual needs. This systematic capability enhancement provides strong support for sustainable development. In order to maintain the stability of the core team and attract more outstanding talents, the Company has implemented the full performance assessment program, employee share ownership plan and equity incentive plan and other incentives to stimulate the enthusiasm of its core team, to lead the team to achieve its strategic objectives, and to lay the foundation for its efficient, high-quality and sustainable development.

During the reporting period, employee training achieved remarkable results, totaling 246,005.80 hours of training. Specifically, on-site training lasted for 59,388.00 hours, E-Learning lasted for 180,013.84 hours, and other trainings lasted for 6,603.96 hours. Training coverage reached 100%, with 18.21 average hours per employee. In 2024, the 6th cohort of the LAP Guanghua Program was successfully launched. Through rigorous selection, 33 outstanding mid-level managers from various departments of the Company were chosen to participate in this premium training initiative. Concurrently, the third Wave Climb Program for frontline supervisors commenced smoothly, achieving extensive coverage with 657 participants. This achieved 100% comprehensive empowerment for all frontline managers Group-wide. For young talents with high potential, including new graduates, converted interns, and employees within their first year of employment, the Company conducts the annual “Sunshine Project” learning and cultivation initiative. This initiative is designed to holistically enhance participants’ comprehensive capabilities and talent competencies through systematic, specialized training. During the reporting period, the Group’s “Sunshine Project” demonstrated remarkable results, training 147 employees with a cumulative total of 4,629.20 training hours, averaging 31.49 hours per participant. To further elevate operational efficiency and cultivate lean management expertise, the Company established the specialized Lean Leader Lab talent development program. Additionally, to build a high-performing sales force, the Sales Elite Program was actively implemented to empower sales teams across all business departments. Furthermore, to facilitate the transfer of institutional knowledge, the Company has vigorously developed its internal trainer team. During the reporting period, nearly 100 internal trainers were cultivated across general, lean, and sales disciplines. These trainers, drawn from various business departments and located in multiple cities nationwide, have significantly advanced the Group’s knowledge sharing and talent development efforts.

3. Advantages in laboratory network layout and digital empowerment

The Company’s laboratory network extends across major cities in China and into surrounding regions due to its strategic layout. Through 160+ laboratories and 260+ service network spanning 90+ cities in 10+ countries worldwide, the Company is operating in the following industries as well as their upstream and downstream supply chains: textiles and garments, shoes and bags, toys and light industrial products, electronic and electric equipment, pharmaceutical and medicine, food and agricultural products, cosmetics and daily chemical products, petrochemicals, environment, building materials and construction engineering, industrial equipment and manufacturing, rail transit, automotive and aviation materials, chips and semiconductors, green, low-carbon and ESG services, maritime services, and digitization certification. A well-established laboratory network and one-stop service capabilities have become the Company’s crucial advantages in competition.

CTI is dedicated to providing more professional and value-added services to clients, while closely monitoring client demands and constantly improving service quality and competency. CTI has been deeply engaging in the testing industry for years, with its services covering a wide range of industries and test items, so it has gathered massive testing data, which is highly reliable, comprehensive in both width and depth, and serves extensive purposes. The Company can provide enterprises with risk-based testing solutions, risk-based internal and supply chain management plans, bases for quality cost control, and bases for supplier evaluation. For governments, it offers bases for risk estimation and prevention in spot checks, decision-making bases for policies and regulations, and support for enhancing decision-making efficiency and scientificity. For consumers, it provides judgment bases for understanding product quality and safety.

Digital transformation is not only aligned with the trend of digital development but also essential for the Company’s international development and efficiency gains. The Company actively adopts various measures to advance its digital/intelligent transformation strategy. The Company has established its self-operated e-commerce platform, CTI MALL, and a big data analysis mechanism. CTI MALL makes full use of cutting-edge digitization technology, such as digitization connection, transmission, structured storage and visualization technologies, and relies on massive computing capacity to enable integrated management of multi-terminal clients, standard service packages, visualized whole-process information, automated report verification and other functions with full coverage of the upstream and downstream supply chains of multiple industries. CTI MALL allows users not only to place 24/7 orders and stay updated on the lastest changes to global standards, but also to discuss with quality experts online, customize solutions, and enjoy more convenient and flexible, transparent and efficient, professional and high-quality services, guaranteeing service quality and safety in an all-round manner. The MYCTI client service management system, adhering to the core concept of "Client First" and with the help of booming Internet technology, provides clients with more convenient services such as report/certificate query, report authorization, progress query of application form, and online order placement. Meanwhile, MYCTI builds a bridge of data interoperability through the medium of a unified interface platform to enhance the level of after-sales service and client adhesion, on the premise of meeting the needs of information security and data leakage prevention. Meanwhile, under the premise of meeting information security and preventing data leakage, MYCTI builds a bridge of data interoperability with a unified interface platform as a medium to enhance after-sales service level and client stickiness. In addition, by introducing various low-code IT development tools, the Company enables business departments to rapidly develop and deploy customized applications to meet specific business needs, shortening project delivery times while reducing development costs. Relying on the research and application of cloud computing, the Internet of Things, and artificial intelligence technologies, the Company continuously optimizes laboratory processes and efficiency, gradually replacing manual operations with automatic testing and review, and promoting the implementation of intelligent and unmanned testing laboratories. It has also formed a digital strategic cooperation with Kingdee, leveraging Kingdee's years of accumulated experience and technology in digital software and intelligent technology scenario applications to create a new operational management model of "one system, one platform" for the Company, comprehensively enhancing its capabilities in information sharing, business process optimization, operational efficiency, and collaboration, continuously improving client experience and service levels, and fully building an intelligent and technology-driven CTI.

4. Advantages in continuous leading innovation and R&D

The Company has established the *Innovation R&D Management System* to standardize its innovation and R&D activities Group-wide. It has established the Group Research Institute, which focuses on digital strategies, talent base construction, R&D of testing equipment and methods, standard R&D, formulation, and revision, patent inventions, and other S&T innovation endeavors, further deepening regional innovation and development. The Group Research Institute is one of the earliest and most heavily invested professional research institutions established by domestic private testing organizations. With a research team centered around industry experts, it delves into cutting-edge industry technologies, providing strong technical support for the business expansion of various business divisions, ensuring adequate technical preparations, and continuously enhancing the Company's core competitiveness in the field of testing technologies.

In 2018, the Company established a postdoctoral innovation practice base to attract Ph.D. from universities and research institutes for advanced research, building a team of senior S&T talents and providing talent support for the Company to enhance its technological innovation competitiveness. In February 2023, the postdoctoral innovation practice base was upgraded to a sub-postdoctoral workstation of the enterprise. As of now, the sub-postdoctoral workstation has recruited 10 postdoctoral fellows, who are engaged in research in fields such as non-destructive testing and rapid testing instruments. The Company also actively participates in the formulation and revision of multiple international and national standards in fields such as food, materials, electrical appliances, and textiles. A number of CTI's R&D achievements have been recognized by the market, governmental departments and industrial associations, and its leading R&D capability provides an important guarantee for its development.

The Company invests 8%–10% of its annual revenue in innovation and R&D for new projects. During the reporting period, the Company's R&D investment reached CNY 529 million, representing a year-on-year increase of 11.99%, with R&D investment accounting for 8.70% of its revenue. Through continuous innovation investment and technological breakthroughs, the Company actively enhances its technological strength and service capabilities, promoting high-quality and sustainable development in the industry. In 2024, the Company's main innovation achievements are as follows: (1) Established an R&D team for optical precision instruments, successfully developed customized testing equipment to meet the Company's new testing business needs, and improved the flexibility and efficiency of testing services; (2) The objective of this project is to develop an electrochemical rapid test method, further enriching the Company's rapid test technology reserves and expected to provide more efficient services to clients; (3) Developed AI-based data analysis technology, significantly improving the efficiency and accuracy of testing data analysis and providing strong support for data-driven decision-making; (4) The objective of this project is to develop an intelligent shrinkage rate testing system for textiles, which has been delivered to laboratories for trial use, bringing innovative solutions to the field of textile testing; (5) The objective of this project is to develop an automatic generation system for comprehensive marine reports, which has been delivered to laboratories for use, realizing one-click report generation and significantly improving work efficiency.

As a leader in promoting high-quality development, the Company has been actively participating in developing and revising of various standards for many years, taking the lead in implementing high-quality development strategies. The Company interfaces with the work of 56 international/national standardization technical committees/subcommittees, participates in the formulation and revision of international, national, and industry standards, holds numerous expert positions, and has two vice chairmen and over 20 members serving on national standardization technical committees/subcommittees. It has undertaken a cumulative total of 2 ISO/IEC panels, cultivated 2 ISO/IEC panel conveners, and 10 ISO/IEC panel registered experts. During the reporting period, the Company added one new registered expert to the ISO/IEC panels. The Company actively participates in the standardization activities of international organizations such as the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the Institute of Electrical and Electronics Engineers (IEEE). It attended 10+ meetings, including plenary sessions, panel discussions, technical forums, and seminars, actively engaging in the activities of multiple international standard technical organizations. As the convening unit of the ISO/TC34/SC6/WG28 panel on the determination of pesticide and veterinary drug residues, the Company hosted the first panel meeting. One new international standard was added under its purview, bringing the cumulative total to four. To support the long-term, sustained, and effective development of international standardization work, the Company organized the preparatory meeting for the ISO/TC34/SC6 plenary session and an international standard seminar in the field of meat, poultry, eggs, and fish, actively contributing its technical expertise to international standardization activities. During the reporting period, the Company released 57 new standards, including 3 international standards, 36 national standards, and 10 industry standards, among which 1 was a mandatory national standard. As of the end of the reporting period, the Centre Testing International Group had participated in the formulation and revision of 760 standards, with 690 standards already published, including 14 international standards, 449 national standards, and 203 industry standards, among which 22 were mandatory national standards.

Starting from its actual inspection and testing business, the Company focuses on the research, development, and improvement of new test methods, as well as the innovative design of new devices. It deeply integrates intellectual property protection with actual business needs to promote the transformation and application of technological achievements. During the reporting period, the Group authorized 51 new patents, including 13 invention patents and 38 utility model patents. By the end of the reporting period, 405 patents have been authorized, including 89 invention patents and 316 utility model patents.

During the reporting period, the Company was awarded the second prize of the "S&T Progress Award" of the 2024 "Mechanical Industry S&T Award" jointly presented by the China Machinery Industry Federation and the Chinese Mechanical Engineering Society. It also received the "Third Prize of the S&T Award in the Packaging Industry" from the China Packaging Federation, the "Third Prize of the Guangdong Provincial Standardization Outstanding Contribution Award - Standard Project Award" from the Guangdong Provincial Market Supervision Administration, and the honorary title of "Advanced Unit in Standardization Work in China's Cultural, Educational, and Sports Goods Industry" from the China Cultural, Educational, and Sports Goods Association.

# IV. Analysis of main businesses

## 1. Overview

In 2024, as China's economy entered the stock era, facing numerous challenges such as changes in the domestic and international economic situation and adverse factors, the Company adhered to its strategic focus, actively embraced changes, and insisted on leveraging the growth of organizational capabilities to cope with external uncertainties and challenges. While consolidating and deepening its existing business advantages, the Company actively seized market opportunities, focused on high-quality and sustainable growth, comprehensively tapped into potential, improved quality and efficiency, and achieved favorable operating profits. The Company maintained strong competitive advantages in traditional fields. It drove business growth through proactive innovation, continuously improved operational efficiency by deepening lean management and digital empowerment, and led to steady increases in operating revenue and gross profit margins. It also increased investments in strategic fields, continued to transform and upgrade, accelerated the development to form new growth drivers, and actively promoted strategic M&A to further improve its international layout and enhance its core competitiveness. During the reporting period, the Company's operating performance maintained overall steady growth. It achieved an annual operating revenue of CNY 6.084 billion, representing a year-on-year increase of 8.55%; a net profit attributable to shareholders of listed companies of CNY 921 million, representing a year-on-year increase of 1.19%; a net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses of CNY 860 million, representing a year-on-year increase of 9.79%; and a comprehensive gross profit margin of 49.47%, representing a year-on-year increase of 1.41 percentage points. In the fourth quarter, the Company's overall operating conditions improved. Operating revenue increased by 10.82% year-on-year; net profit attributable to owners of the parent company increased by 2.96% year-on-year; net profit attributable to owners of the parent company after deducting non-recurring gains and losses increased by 52.89% year-on-year; and the comprehensive gross profit margin increased by 3.98 percentage points compared with the same period last year.

(I) Business performance of five sectors

1. Life science sector

(1) Environmental testing field

During the reporting period, benefiting from the smooth implementation of the Third National Soil Survey and the excellent performance of its sub-product lines, the Company's environmental testing business achieved strong growth, with a continuous increase in gross profit margin. Regarding the Third National Soil Survey business, based on the project characteristics, the Company strictly controlled the expansion of personnel scale while ensuring the high-quality completion of soil census testing work. It effectively controlled fixed asset investment in equipment through a strategy of leasing instead of purchasing. Leveraging the time differences in the implementation progress of soil census projects in various regions, the Company reasonably allocated resources and implemented precise planning and scientific execution, thereby improving the overall gross profit margin while reducing the difficulty of resource integration work upon completion of the soil census projects. In the field of marine environmental monitoring, the Company continuously strengthened internal management, comprehensively enhanced the capabilities of its business team, and strengthened its grasp of client needs. Relying on its rich project experience, mature and complete technical solutions, and good corporate reputation, the Company successfully won the bids for the marine environmental monitoring tasks for three voyages (spring, summer, and autumn) in the offshore and near-shore areas from southern Fujian to eastern Guangdong, as well as the bid for the Marine Disaster Comprehensive Prevention and Control System Construction Project in the Guangxi Zhuang Autonomous Region. At the same time, the Company keenly captured new market opportunities and actively expanded its business layout, continuously extending from the single marine monitoring market to consulting projects. Based on dynamic market demands, it continuously improved its corresponding capability construction, achieving rapid year-on-year growth in its marine environmental business during the reporting period. Regarding the environmental monitoring, the Company established a special business department for emerging contaminants, setting up six key laboratories for emerging contaminants in Beijing, Shanghai, Shenzhen, Chengdu, Xi'an, and Changsha. It formed a special R&D team for emerging contaminants led by the chief technical engineer of the Environment Business Department and composed of organic technical backbones from various laboratories, focusing on the R&D of emerging contaminant monitoring technologies and service optimization. As of now, the Company has established a full-process environmental monitoring system for emerging contaminants, capable of providing clients with full-process emerging contaminant monitoring services from sample collection, preservation, transportation, testing, and quality control, as well as services such as emerging contaminant consulting and protocol preparation, contributing to ecological and environment protection in the new era. In addition, the Company has also actively ventured into diversified business areas such as biodiversity and ecological quality sample plot surveys, sales of soil marker products, and operation and maintenance for pollution source enterprises, cultivating future profit growth points.

(2) Food and agriculture testing field

As a pioneer in implementing the Group's "123" strategy, the Food, Agriculture, and Health Business Department has continuously enhanced its operational efficiency during the reporting period through full-chain service coverage, strengthened technical capabilities, and lean operations. By deeply exploring strategic layouts in market segment opportunities and fully leveraging its comprehensive service advantages, the Division has sustained its competitive edge in the field of food safety and quality, achieving steady growth in operating performance and a stable increase in gross profit margin.

The Food, Agriculture, and Health Business Department has consolidated its foundations in traditional market areas by continuously extending its services in testing, inspection, certification, and training, thereby steadily improving its comprehensive service capabilities. Currently, food safety has been elevated to a national strategic level. The Business Division has keenly seized this opportunity to develop comprehensive technical support projects for the government sector by integrating the comprehensive technical capabilities of its food product lines. This has innovated the government service model, serving as a supplement to traditional government spot-check orders and enhancing the Company's comprehensive service strength. Leveraging its comprehensive advantages, the Company has successively undertaken proficiency testing projects in regions such as Shanghai, Shanxi, Yunnan, and Liaoning, assisting the government in regulating the inspection and testing market, promoting standardization and consistency among laboratories, and further consolidating its advantageous position in the government market. The Company has actively invested resources in developing corporate business. Through government-enterprise linkage, it has used government advantages to intensify corporate development efforts, incubated non-testing businesses, and promoted business diversification. Regarding the operational efficiency, the Company has achieved big data applications, risk early warnings, and lean management through the independent development of client service systems and internal management systems. Specific measures include strengthening the regional management of sampling teams, controlling the increase in personnel, standardizing operating costs, increasing sampling volumes, and reducing the cost per batch of sampling; simultaneously, it has empowered personnel with digital tools and maintained stable profit margins through lean and digital management methods.

The Company has accelerated its layout in fast-growing market areas, driving growth through continuous innovation. In the field of pet food and product testing, the Company has continuously explored and expanded new testing needs, establishing cooperation with leading enterprises and building brand competitive advantages. Through one-stop comprehensive testing services, the Company provides major clients with integrated solutions ranging from quality control to marketing and R&D; meanwhile, for small and medium-sized enterprises, it offers testing packages in the form of e-commerce, attracting clients with pricing strategies and binding medium-sized enterprises through test technology training to enhance client stickiness; by establishing accounts on platforms such as Douyin, Xiaohongshu, and WeChat Video Accounts, it leads and drives industry development trends, further enhancing the Company's brand influence. The Company continues to innovate projects, launching pet scientific feeding projects to link and address the needs of enterprises at the R&D and market ends. It has also added services such as export compliance consulting and foreign label audits to meet the export needs of enterprises' products. Regarding the technical support, the Company has established a pet R&D data center to assist clients in R&D and quality improvement, raw material and characteristic analysis, competitive product analysis, and consumer insights. In 2024, the pet food and product testing business has maintained a steady growth trend and won the "2024 Animal Health and Food Safety Science and Technology Innovation Award", further consolidating its leading position in this field. In the fields of daily chemicals and special foods, the Company has targeted opportunities in sub-segments such as new cosmetic ingredients and functional foods, offering diversified services to meet the demands of clients at different levels and driving sustained business growth. As China accelerates into an aging society, the “silver economy” is emerging as a new growth engine. Under the strategic background of “Healthy China”, relevant national departments have continuously improved and issued a series of policies and regulations. Meanwhile, the nutritional needs of the silver-haired population for special foods have become increasingly refined. The Company’s special food and daily chemical product lines have actively expanded their special food businesses, providing comprehensive and one-stop services for enterprises specializing in food for special medical purposes, assisting in product R&D, registration, production, and circulation. With the maturation of policies, regulations, and consumer awareness, efficacy evaluation has become a core element of brand competition. The Company has established relatively comprehensive service capabilities in the field of cosmetic efficacy evaluation. The cosmetic team has fully utilized the Company’s capabilities in the cosmetic field to carry out micro-innovations, expanding efficacy evaluation and verification into emerging fields such as beauty devices, orally consumed beauty products, and oral care products, achieving favorable results. During the reporting period, the Company’s Shanghai Cosmetic Efficacy Assessment Center officially commenced operations, marking the Company’s commitment to empowering the healthy development of the cosmetic industry through the upgrade of emerging technologies and localized services. This holds significant strategic importance for the Group’s layout in integrating business resources in East China, driving sustained business growth, aligning with international layouts, and enhancing global influence.

The Company actively explores innovative business areas, incubates new growth drivers, and strategically positions itself for the future. Regarding the agricultural product testing, the Company is committed to staying at the forefront of agricultural technology and learning from outstanding industry benchmarks, aiming to become a global provider of modern agricultural planting technology solutions. It offers more efficient and comprehensive solutions for agrochemical manufacturers and the seed industry. The Company has actively laid out its presence in three major sectors: biotechnology breeding testing and certification technical services, testing and consulting for agrochemical inputs, and comprehensive technical services for modern agriculture. During the reporting period, the Qingdao Seed Laboratory obtained the qualification certificate for crop seed quality inspection body and became the first third-party seed testing institution in Shandong Province to receive the CASL certificate in the field of molecular biology. It has also expanded its service capabilities in the detection and identification of plant quarantine pests (including invasive alien species). Regarding the comprehensive technical services for modern agriculture, the Company has developed services such as biohormone testing, agricultural nutrient solutions, and plant nutrient monitoring packages, and has preemptively arranged for plant pathogen detection services within the industry. During the reporting period, the agricultural product testing business developed well and achieved steady growth. In the field of consumer surveys, the business department focuses on the “one body, two wings” strategy. On one hand, it stabilizes relationships with major clients and existing businesses, leveraging the influence of international major clients to expand overseas projects while simultaneously developing market insight and strategic consulting services; on the other hand, internally, it assists major clients in development through sensory assessment and consumer insights, integrates resources to establish regional laboratories and service teams, and expands from cosmetics to food, special foods, and pet product categories. Furthermore, the business department continues to innovate by introducing new products and value-added services, expanding into the great health and home appliance categories, incubating future growth points, and promoting natural business growth and innovative development. In the field of chain operation services, using store audits and mystery shopper experiences as entry points to deeply penetrate the industry, the business department is dedicated to providing chain restaurants, tea beverage chains, supermarkets, group catering, and other institutions with one-stop services covering the entire chain from brand management to supply chain and store operations, including audit consulting, training, and testing, to help enhance the competitiveness of chain operation enterprises. Through the construction of professional teams covering key regions and the application of information management tools and mobile audits, the business department has extended other services tailored to the needs of chain restaurant clients. In 2024, the service share significantly increased, and the service quality consistently ranked among the top in various third-party audit institutions. Looking ahead, the business department will continue to improve digital tools, develop new service modules, steadily increase market share, and form a complete set of service products and models suitable for chain operation enterprises.

2. Industrial testing sector

In the fields of construction engineering and industry, the Company regards digitization, intelligence, and sustainability as its core strategic directions. It actively participates in the digital transformation and high-quality development of clients across various fields, assisting relevant industries in achieving safe, automated, smart, and green development, injecting new trend and vitality into industry advancement. During the reporting period, the Company deepened its transformation and upgrading, achieving good results with sustained growth in operating revenue and gross profit margin. In the era of Industry 4.0, the business department has seized the opportunities of digitization and intelligence, developing industrial functional safety assessment services to provide comprehensive support for functional safety in multiple industrial fields, helping clients meet functional safety requirements, control risks, and enhance safety. The Building Information Modeling (BIM) technology team focuses on building informatization and industrial digitization, offering innovative services that deeply integrate BIM technology with building informatization. These services cover the entire lifecycle of buildings, from design and construction to operation management, providing clients with comprehensive solutions that can assist in improving project efficiency, reduce costs, and optimize resource utilization, so as to promote the digital transformation and intelligent upgrading of the building industry. Under the background of national energy conservation and carbon reduction, the Company has deepened its green transformation services, developing one-stop solutions encompassing building energy-saving materials, building energy efficiency and green building testing, green building material certification, and building structural safety appraisal, among other services, to assist the building industry in energy conservation and carbon reduction efforts. Regarding the industrial testing, the Company's professional capabilities have been recognized by clients. It has participated in projects such as CNOOC's "Green Energy Port" project in Yancheng, the Guangxi Power Grid testing project, and the Tangshan Caofeidian Xintian LNG Terminal project, all of which received praise from clients. The Company closely follows the market demands of emerging industries, continuously improving its own capabilities, and effectively allocating its network and capabilities. Aiming at the new track of "new energy + new grid", CTI focuses on the key development strategy of major clients, adheres to technological innovation, customizes and carries out competitive new energy testing projects and unmanned intelligent test technology, and has successfully developed a series of testing service capabilities, developing a number of influential large clients in the industry. In the field of industrial materials, the Guangzhou Center Materials Laboratory has officially commenced operations. It has obtained CMA and CNAS qualifications, possesses strong comprehensive test capabilities, and covers two core areas: polymer material testing and metal material testing, further strengthening the Company's strength in the field of materials science.

In the field of metrology, CTI Metrology adheres to the principles of "consolidating foundations, establishing a brand, and steady development", deeply focusing on advanced manufacturing fields such as high-end precision instruments, medicine and health, aerospace, and transportation. Leveraging professional and reliable technology and services, it has established solid and in-depth strategic cooperative relationships with many leading enterprises in various industries. Regarding the business scope, from precise metrological calibration services to cutting-edge technological R&D support, it continuously injects strong trend into the construction of industrial infrastructure, assisting relevant industries in achieving high-quality and sustainable development. During the reporting period, the Company has fully consolidated the foundation of its metrological service capabilities. As of now, a total of 12 laboratories have obtained CNAS accreditation, with over 1,000 new accredited capabilities added, and a cumulative total of over 6,400 accredited items. The metrological calibration capabilities of laboratories in fields such as communications, radio, new energy, and environmental analysis of heavy machinery have been significantly enhanced. To further enhance the overall capabilities of its laboratories, the Company has also conducted nearly a hundred proficiency testing/measurement review and 10+ inter-laboratory comparisons, effectively improving the overall maturity and metrological calibration capabilities of those laboratories and releasing more potential, thereby ensuring more accurate and high-quality metrological services for clients. Regarding the market layout, the metrology subsidiary in Jinan commenced operations, further enhancing the Company's service coverage across four key regions: South China, East China, North China, and Central China. Regarding the foreign cooperation, the Company entered into a strategic collaboration with Rosetta Life Sciences to jointly advance into the frontier of digital metrology; it also established a strategic partnership with the Shanghai Gas Equipment Metrology Testing Center to deepen cooperation in metrology calibration, product testing, and proficiency testing. Furthermore, the International Symposium on Measurement in the Quantum Age, co-organized by the International Cooperation Committee of the Zhongguancun Testing, Inspection, and Certification Alliance and the Company, was successfully held. This event provided CTI Metrology with an internationally aligned communication platform, which significantly elevated its global brand recognition and influence. Digital transformation empowers operational upgrade: The successful implementation and continuous optimization of the metrology information management system have delivered remarkable results in operational management, quality assurance, cost control, business expansion, and brand development. During the reporting period, the metrology business maintained steady growth, with sustained enhancement in brand competitiveness.

In the maritime field, against the backdrop of increasingly urgent global decarbonization initiatives and the shipping industry's accelerated transition toward low-carbon solutions, green energy applications, environmental compliance, precision verification, and quality certification have become core demands in the field. The Company remains focused on emerging trends in the green development of the shipping industry, continuously strengthening its capabilities and optimizing its strategic positioning. While maintaining stable growth, it has proactively charted new development directions. During the reporting period, the maritime business remained stable, and the M&A of a marine fuel testing provider further expanded its global footprint, laying a solid foundation for sustainable growth in 2025.

In the digital field, amid the deep integration of the digital economy and the real economy, the Company's digital strategy has demonstrated forward-looking foresight. Leveraging its technological expertise in electronic information and artificial intelligence, it has pioneered a 3D testing system encompassing "hardware security + software compliance + data protection". To date, the Company's digital services have established branches nationwide, supported by a professional technical team of 100+ experts, including specialists from the Ministry of Science and Technology and the Cyberspace Administration of China. Recently, the Company successfully passed the capability assessment and expert review conducted by the Payment & Clearing Association of China, officially obtaining national-level testing accreditations for both client-side software and embedded software. This milestone makes it the first third-party service provider in Shenzhen with dual core competencies, marking its official entry into the fintech product testing and certification field and injecting new trend into digital financial security. In 2023, the M&A of CTI Fengxue enabled the Company to enter the cybersecurity classified protection assessment market. By 2024, the integration yielded strong results, allowing the Company to consolidate its presence in Anhui while leveraging group advantages to complete regulatory filings and team establishment in Jiangsu, Shanghai, Beijing, Sichuan, Shandong, Guangdong, Tibet, and Guiyang. This has laid a robust foundation for sustained growth and enhanced competitiveness in the digital field. During the reporting period, the Company's digital business achieved rapid operating revenue growth and steady profit margin improvement.

In the field of carbon peaking and carbon neutrality and sustainable development, aligned with China's goals of "carbon peaking and carbon neutrality", the Company has made proactive strides in sustainable development, with notable achievements across all business segments, reinforcing its leadership in the field. During the reporting period, the business in this field achieved steady growth, with both operating revenue and gross profit margin increasing year-on-year.

Diversified expansion of strategic cooperation: The Company's subsidiary CTI Certification partnered with Laos Global Carbon Technology Co., Ltd. on forestry carbon reduction projects and signed a strategic agreement with Fujian Jinyuan Development Group Co., Ltd. It also joined forces with the EPD Promotion Center for complementary synergies and collaborated with ZTE on product LCA carbon footprint certification. These initiatives integrate resources, broaden business scopes, and enhance comprehensive competitiveness, laying a solid foundation for sustainable development goals.

Outstanding achievements in carbon peaking and carbon neutrality: In supporting corporate green low-carbon transitions, the subsidiary CTI Certification issued over 700 certificates related to carbon peaking and carbon neutrality, covering carbon neutrality, zero-carbon factories, and carbon management system evaluations, effectively driving low-carbon development practices. Concurrently, it undertook social responsibility by conducting carbon verification for more than 500 key emitters across

10+ provinces. With its professional expertise, CTI Certification secured high-value carbon verification projects in Guangdong, Fujian, and Shenzhen, solidifying its market leadership and providing robust support for national carbon peaking and carbon neutrality objectives.

Comprehensive accreditation upgrades: CTI Certification achieved significant milestones in accreditation: The Company achieved IAF global mutual recognition for greenhouse gas validation and verification across all fields, obtained renewed accreditation as a GCC audit body, secured approval for the extension of its VCS VVB qualification, and received CNAS accreditation for all scopes (1-21) in organizational greenhouse gas verification. It was also included in the first batch of verification bodies for the Building Materials Carbon Label Public Service Platform, while obtaining homestay service certification and an extension of its zero-carbon factory evaluation certification validity period. These new qualifications have further expanded the Company's business scope, enhanced its market recognition and competitiveness across various domestic and international fields, and solidified its industry-leading position.

Leading the way in standard establishment: CTI Certification has actively participated in industry standard development, demonstrating its professional expertise. It contributed to the formulation of ISO/ESG IWA 48, *Framework for Implementing Environmental, Social and Governance (ESG) Principles* - the world's first ESG international standard, co-authored China's national standard GB/T 24067-2024 *Requirements and Guidelines for Greenhouse Gas Product Carbon Footprint Quantification*, participated in drafting the group standard *Guidelines for Carbon Neutrality in Exhibition Events*, and supported Shanxi authorities in formulating the *Carbon Footprint Management System Construction Work Plan*. Through its involvement in standard-setting, the Company has guided industry development and strengthened its authority and influence within the sector.

3. Trade assurance sector

The Company has demonstrated outstanding performance in electronic materials chemistry and reliability, precisely capturing market opportunities in emerging fields such as green environmental protection, semiconductors, new energy, and electric vehicles in recent years. With forward-looking strategic vision, the Company has heavily invested in new product development, deeply optimized channel strategies, maximized synergies, and strengthened client service to maintain its leading position in this field. Currently, it has established a diversified service system covering hazardous substances, material analysis, reliability, and food contact material testing, leveraging its expertise to provide one-stop solutions for green regulations and quality evaluation, significantly improving client service. During the reporting period, the Company continued to enhance operational efficiency in this field. For channel optimization, it built a refined channel management system, utilized big data to analyze channel dynamics and identify new client trends, implemented client segmentation with differentiated marketing strategies, conducted regular training to improve team capabilities and sales skills, and employed digital tools with BI dashboards for visualized, real-time business process monitoring to boost sales management effectiveness. In laboratory efficiency improvements, the Company implemented multiple measures to enhance productivity, introduced specialized improvement tools for breakthrough solutions, adopted digital and automation technologies to transform daily monitoring models, and optimized tools and layouts for foundational upgrades. With a systematic approach, it advanced personnel expertise, refined internal processes, elevated client service quality, and optimized financial indicators to fully implement lean management, achieving significant improvements in laboratory operational efficiency. During the reporting period, the trade assurance segment achieved steady growth in operating revenue and a notable increase in gross profit margin from an already high base.

4. Consumer goods sector

During the reporting period, the Company's light industrial products, toys, textiles and other businesses demonstrated strong growth trend. On the one hand, the Company focused inward to strengthen internal capacity building, continuously obtaining new accreditations to solidify its technical foundation. On the other hand, while maintaining government clients, it intensified efforts to develop corporate clients both domestically and internationally. The international business development department gained recognition from numerous global buyers, driving rapid business growth. The Company's laboratories in Shenzhen, Shanghai, and Tianjin obtained CPSC accreditation for relevant clauses of ASTM F963-23, achieving full CPC testing coverage for children's toys exported to the U.S., including plush fabric toys, plastic toys, wooden toys, metal toys, electric toys, and modeling clay.

Additionally, the Company obtained CNAS and CMA accreditations for eyewear and helmets, further expanding its business scope. During the reporting period, the Company leveraged its comprehensive advantages to support government regulatory efforts. It successfully won the bid for the 2024 National Supervision and Sampling Inspection Technical Service Project, covering product categories such as down garments, down quilts, travel shoes, toys, children’s and infant clothing, strollers, children’s shoes, and student backpacks, ensuring market product quality and demonstrating corporate responsibility.

Field of new energy vehicles: During the reporting period, the field of new energy vehicles maintained steady growth, with continued investment to expand into cutting-edge areas such as vehicle connectivity, electric drives, and electronic controls, continuously improving the industrial technology ecosystem. In the field of automotive electronics EMC testing, the Company precisely executed its mature plans, tapping into potential and steadily increasing facility utilization rates. In 2024, it strategically established a Hefei laboratory, focusing on smart transportation electronics in East China and expanding EMC test capabilities for drive motors. This earned widespread recognition from authoritative automakers and successfully expanded market share. Meanwhile, the Company also steadily advanced investment projects, such as expanding testing capacity for Japanese automakers, constructing a reverberation chamber at the Kunshan laboratory, and enhancing electrical performance test capabilities, all aimed at boosting competitiveness. Moreover, the Shenzhen electronics laboratory officially commenced operations, marking the Company’s expansion into Greater Bay Area transportation electronics and providing one-stop EMC testing solutions for automotive and new energy vehicle components. Field of automotive electronics: The Company continued to increase investment in new energy automotive electronics. The new energy electric drive and electronic control laboratory was completed and operational by the end of 2024, equipped with a globally leading 26,000 rpm high-speed motor test bench, currently setting industry-leading technical parameters in China. With its advanced technical advantages and comprehensive service system, the laboratory quickly gained recognition from top-tier clients, driving breakthroughs in the powertrain testing market. At the same time, the laboratory’s capabilities synergize with the Company’s existing power battery, automotive electronics, thermal management system, power semiconductor, and upcoming EMC laboratory for electric drive systems. This integration is expected to generate cross-divisional order growth by 2025. Intelligent network field: With the rise of autonomous driving and smart connectivity features, vehicles are becoming increasingly reliant on satellite navigation and positioning. The Company has demonstrated keen market insight by pioneering research on satellite positioning function and performance test methods for vehicles during final assembly, providing critical technical support to automakers to ensure delivery quality and enhance user experience. The Company has achieved remarkable results in production-line satellite positioning testing, having deployed automated testing stations for vehicle satellite positioning at OEM assembly lines. It has accumulated extensive engineering experience and experimental data in hardware/software setup, process design, signal shielding, test methods, cycle optimization, data analysis, and universal software design, laying a solid foundation for industry standardization. The Company leads the “test technology” subfield of the *Standard Pioneering Research of Automotive Satellite Positioning Production-Line Testing* project, coordinating with stakeholders to support sustainable development in the automotive industry. Concurrently, it has initiated pioneering national standard research to fill industry gaps, improve user experience, ensure driving safety, and promote the large-scale adoption of Beidou satellite navigation in the automotive industry. The Company has also successfully developed an automated OTA preparation and testing system for end-of-line vehicles. This solution offers high automation, precise testing, and efficient preparation capabilities, enabling effective OTA remote upgrade testing prior to vehicle delivery to ensure production quality. It also provides batch preparation solutions for production lines, improving vehicle assembly efficiency, and has secured partnerships with leading clients. Regarding efficiency enhancement: On the one hand, the Company continues to implement lean tools and advance laboratory digitalization, applying digital/automated solutions throughout test processes. Through simple automation upgrades, it continuously optimizes test methods and has independently developed an online monitoring system for laboratory equipment operational status. On the other hand, it exercises precise workforce management with a focus on productivity improvement, driving continuous gains in laboratory operational efficiency. In 2024, the Company maintained strong momentum in the field of new energy vehicles, demonstrating robust profitability.

Aviation field: With the national strategy's continued emphasis on aerospace development, this field is poised for accelerated growth, presenting significant market potential. As early as 2018, the Company demonstrated sharp market foresight by strategically entering the aviation materials field, accurately identifying the growth potential in aerospace applications. Relying on its professional technical capabilities and efficient operations management, the Company has precisely addressed clients' growing testing demands, with testing volumes showing strong growth momentum. The aviation materials business has achieved rapid expansion in recent years. Regarding the business deployment, the Company field has successively set up mature laboratories and test capabilities in Shenzhen, Guangzhou, Shanghai, Suzhou, Tianjin, Wuhan, Chongqing, Chengdu, Xi'an, Shenyang and other aviation and low-altitude economy industry clusters, and is able to provide services for civil manned and unmanned aerial vehicles, such as environmental reliability tests, electromagnetic compatibility tests, hazardous substance tests, failure analysis, chemical analysis, VOC tests, strength tests of components, material performance tests, radio frequency tests, functional safety assessments and multi-national certifications. Strength test, material performance test, radio frequency test, functional safety assessment and multi-national certification, etc. It has formed a first-mover advantage in the field of aviation and low-altitude economy industry chain technical services, and will actively expand the whole life cycle testing service capacity of various types of aircrafts such as unmanned aerial vehicles and flying cars, from materials to parts and the whole aircraft, so as to build up a full range of testing and certification services.

Chip semiconductor field: Chip semiconductor testing has long been one of the Company's key strategic focuses, with continued investment and active expansion in recent years. With emerging technologies like 5G, IoT, and AI driving innovation and upgrades in the semiconductor industry, the Company remains firmly optimistic about the industry's long-term prospects and is fully committed to advancing its business. At the end of 2022, the Company completed the 100% acquisition of VESP, providing comprehensive support to better meet client needs. Currently in its transformation and investment phase, VESP continues to strengthen its FA and MA capabilities, accelerate transformation, and fine-tune its organizational structure to align with business development requirements. VESP has implemented the following optimization measures: (1) Management team restructuring: The Company has optimized and adjusted its core management team. The new core management brings extensive experience in overall laboratory operations and refined management practices, contributing to enhanced operational efficiency. (2) Comprehensive sales team optimization: The Company has systematically overhauled its training programs for new employees, daily sales management, target management, and performance evaluation systems. These initiatives aim to build a client-centric sales team capable of delivering premium services. (3) Investment strategy adjustment: The Company is implementing phased investments to develop FA and MA capabilities, with related equipment being deployed as planned. It is actively recruiting industry-leading talent to strengthen technical expertise. (4) Supply chain optimization: Strategic supplier partnerships have been refined to select higher value-for-money vendors, improving cost efficiency for hardware solutions while reducing expenses. (5) Enhanced market promotion: Marketing efforts have been intensified to amplify the impact of corporate websites and professional social media accounts. Increased participation in industry exhibitions and association activities has elevated brand recognition and industry influence.

5. Pharmaceutical and medical service sector

During the reporting period, the pharmaceutical and medicine field faced short-term pressure due to cyclical external factors. However, given the essential nature of health demand, the Company remains confident about the field's long-term growth prospects. The Company continues to provide end-to-end pharmaceutical and medicine services, helping clients improve R&D efficiency and reduce costs through strategically deployed capabilities in CRO, medical testing, pharmaceutical platforms, precision medicine, medical devices, and health management services. By integrating healthcare, pharmaceuticals, and medical devices, it unlocks synergistic value to build unique competitive advantages. In the pharmaceutical field, as market conditions gradually recover, demand shows signs of revival with steady growth in new orders, indicating an overall positive trend. The Company successfully attracted a senior expert from the U.S. FDA to join the team, bringing international advanced concepts and cutting-edge technologies. In terms of certifications, CTI Biology received positive feedback during an on-site FDA GLP audit, demonstrating its internationally aligned technical capabilities in pharmaceutical R&D. Additionally, the Company strategically acquired 100% equity in Guangzhou Vectoring Pharmatech Co., Ltd., entering the pharmaceutical CMC research field. Initial synergies have emerged, with the business developing rapidly and successfully expanding the Company's depth in the pharmaceutical industry chain. Furthermore, the expanded scope application for drug testing services passed the CNAS/CMA joint review. This milestone completes the Company's one-stop drug development service system, covering the entire process from preclinical CMC research, non-clinical studies, clinical bio-sample analysis, drug registration submissions, to drug testing. In the medical field, the Company proactively adjusted its business priorities by optimizing resource allocation and implementing lean management to reduce costs and enhance efficiency; it continued to deepen its expertise in functional medicine, consolidating its leading position. In the medical device field, the Company strategically acquired Guangdong Neway Quality Technology Service Co., Ltd. in 2023, accelerating its expansion in medical device testing and certification. During the reporting period, integration efforts yielded significant results, driving steady business growth. The Company completed the relocation and capacity expansion of its Guangzhou laboratory and successfully passed the CMA + CNAS dual-scope accreditation review, further strengthening its technical foundation. Additionally, its medical device laboratory obtained FDA (ASCA) recognition and A2LA certification, demonstrating international recognition of its test capabilities and service quality. By continuously expanding testing qualifications for both active and passive medical devices, the Company is now better positioned to provide global clients with high-quality medical device registration, testing, and compliance services that meet domestic and international regulatory requirements. Generally, while the pharmaceutical and medical sectors faced short-term pressures, the Company responded proactively with strategic adjustments. The underperforming businesses are expected to gradually improve, while newly expanded sectors - such as medical devices and CMC - show strong growth momentum and are poised to drive future expansion.

(II) Strategic M&A execution: accelerating diversified expansion

Strengthening global green energy field in shipping: During the reporting period, the Company completed the 100% acquisition of Greece-based NAIAS SCIENTIFIC ANALYTICAL LABORATORIES SOCIETE ANONYME (abbreviated as "NAIAS"). Amid the global shipping industry's push toward decarbonization and energy transition, the Company had already entered the marine fuel testing market in 2020 through its acquisition of Singapore MARITEC. The acquisition of NAIAS marks another major strategic move in the global maritime green energy field, significantly enhancing the Company's global technical service network for maritime businesses. Through this M&A, the Company has comprehensively strengthened its global technical service network for maritime businesses, enabling it to provide end-to-end, one-stop solutions, including standards consulting, testing, inspection, and technical verification. Backed by professional and efficient technical support, the Company is well-positioned to assist clients in seamless energy transition, compliance with maritime environmental regulations, and effective risk mitigation. This strategic M&A will serve as a key growth driver for the Company's 2025 revenue, enhancing its core competitiveness and market share in the global marine testing services sector, thereby further solidifying its industry leadership.

Deepening expertise in the fields of electronic materials and PCBs In 2024, the Company completed the 100% acquisition of Hong Kong Greater Asia Pacific Limited, gaining indirect control of a 51% stake in Microtek (Changzhou) Product Services Co., Ltd. This strategically significant M&A delivers multifaceted benefits. Microtek is a globally authoritative third-party testing provider in electronic materials and PCB industries, serving numerous manufacturers and end-users worldwide and earning the trust of over 2,500 international clients. Its 3,000+ $m^2$ laboratory is equipped with 500+ cutting-edge testing instruments, supported by a highly specialized technical team capable of delivering precise and reliable testing services for clients. Upon completion of the acquisition, the Company will fully leverage its strengths in branding, business networks, investment, and talent, integrating them with Microtek (Changzhou)'s established expertise and high industry recognition in PCB testing and certification. With the rapid development of emerging PCB applications and increasing demands for product complexity, quality, environmental compliance, and sustainable development, market demand is expected to grow steadily. The strategic M&A of Microtek will enable the Company to further expand its sales channels, enhance laboratory test capabilities and production capacity, strengthen its influence and market share in the PCB field, and provide clients with more professional and comprehensive testing and technical services. This move not only creates greater value for clients but also injects strong momentum into the high-quality development of the industry.

Expansion into the field of e-bicycle testing: The Company acquired a 70% equity stake in Jiangsu Honghai Vehicle Testing Co., Ltd. (abbreviated as "Changzhou Honghai"), making a forward-looking deployment in the promising e-bicycle test field. Changzhou Honghai specializes in testing services for e-bicycles, bicycles and their components, and obtained designation as a CCC certification laboratory for e-bicycles in 2020, demonstrating profound professional expertise. Through this M&A, CTI has entered the e-bicycle testing market, establishing test capabilities for two-wheeled vehicles including e-bicycles and light e-motorcycles, thereby further improving CTI's electronics technology industrial ecosystem and better enabling and promoting industrial development.

(III) Deepening digital transformation and lean management to drive high-quality development

The Company has always regarded digital transformation as a core strategy for achieving sustainable development. Through cutting-edge technological innovation, it has been making all-out efforts to optimize and upgrade its business models while significantly improving operational efficiency. Amid the sweeping wave of digitalization, the Company has deeply integrated digital and intelligent technologies with lean management concepts to build a smart, data-driven modern management system. It employs digital means to improve service quality and optimize client experience, laying a solid foundation for high-quality development.

1. Digital transformation - Innovation-led business ecosystem reshaping

Upgrading of CTI MALL platform: During the reporting period, the Company continued to iterate and optimize its CTI MALL platform by adding new functions such as mobile shopping and ordering, testing services and training reservations, achieving full mobile coverage of core services and greatly improving client convenience. By connecting the mall with the laboratory management system, it realized fully online services, effectively optimized system performance and significantly reduced the risk of human errors. Meanwhile, it introduced advanced technologies such as search word segmentation and source code management, substantially improving website operational efficiency. A data tracking framework was established to enable multi-dimensional client data analysis, providing strong support for precision marketing.

AI technology application and forward-looking deployment: In implementing its digital transformation strategy, the Company formed a talent AI innovation team by recruiting external talents and identifying internal high-potential employees, with focus on cutting-edge technologies such as generative AI and deep learning. It accelerated the promotion of GenAI technology across the enterprise while achieving centralized supervision, and enhanced existing application capabilities by introducing LLM. In terms of organizational structure and talent pool, the Company established an AI committee under the Innovation Committee to identify and organize business-innovation-minded, AI-savvy talents within the Group to form a talent pool serving as committee members and project leaders, providing solid organizational support for AI technology application within the Company. Regarding pilot projects and scenario expansion, the Company promoted the application of AI technology in different scenarios based on actual business and laboratory needs. As of December 2024, it had collected and advanced 15 AI technology pilot projects covering multiple fields including back-office efficiency improvement, new test method development and technical follow-up reserves. Among them, back-office efficiency improvement projects enhanced work efficiency through automated processes and intelligent decision-making; new test method projects leveraged AI's powerful analytical capabilities to develop more precise and efficient testing approaches. For knowledge training and skills enhancement, the Company launched five AI application learning and sharing courses through online livestreams and the E-learning platform, with over 500 participants and total learning hours exceeding 500. This not only improved employees' AI application skills but also fostered a strong innovation culture internally. Technical cooperation and R&D reserve: The Company engaged two external experts with extensive experience in AI applications and technical expertise in chemical and chemical engineering industries to provide technical support and collaboration. Concurrently, through its postdoctoral innovation base, the Company has cultivated several postdoctoral researchers in AI application fields, who serve as technical leaders in AI pilot projects, providing strong R&D reserves for the Group. To date, the development and application of AI-powered client service, AI assistants, and intelligent label review systems have been completed, demonstrating initial success in innovative implementations. Moving forward, the Company will vigorously expand the application of AI technology in laboratory testing, deepen intelligent client service, and advance the digital transformation of internal management, including AI-driven defect detection, anomaly detection, intelligent demand recognition, and optimized scheduling. As new technologies emerge, the Company will actively evaluate their potential applications in operations and business development, continuously increase R&D investment, enhance technical capabilities and service quality, and deliver superior and efficient testing services to clients.

Digital tool empowerment: During the reporting period, the Company actively introduced and promoted digital tools such as FineBI, Jiandaoyun, PDA-based sample management, and electronic lab notebook (ELN) to break down data silos, enable real-time data sharing and interaction, and significantly improve automation and intelligence in business processes. These tools have optimized critical areas such as accounts receivable management, sample management, and laboratory operations, enhancing efficiency and data quality. Meanwhile, the HR module of the ERP system has been launched, while finance, supply chain, and equipment modules are progressing steadily. The successful integration of over ten systems, including LIMS and CRM, has enabled cross-departmental collaboration and unified data management, providing robust decision-making support. Digital tools have achieved notable results in improving efficiency, streamlining processes, and enhancing coordination. Further potential will be explored to comprehensively boost market share and operational efficiency.

2. Lean management: Continuously deepen lean management to improve operational efficiency

Steady advancement of lean projects: During the reporting period, the Company advanced laboratory lean projects, completing Phase I improvements for over ten projects, including Shenzhen Metrology, Beijing Food, and Suzhou Environmental, addressing process bottlenecks and reducing resource waste. Phase 2 improvements were implemented for ten projects, including Qingdao Food, Shenzhen Food, and Shenzhen Light Industry, further enhancing efficiency and quality. Projects such as Shenzhen Environmental, Shanghai Chemical, and Shanghai Automotive VOC progressed to Phase 3, achieving comprehensive lean management deepening.

Refinement of lean talent development system: To cultivate lean talent, each business department selected 26 laboratory managers to participate in the first batch of Lean Leader training. Guided by lean experts, the program combines theoretical instruction with hands-on project implementation, equipping participants with lean methods and practical execution steps within one year. Traditional team management has been transformed into lean team management, with multiple workshops conducted in North and East China to develop training and practical systems, enhancing team leaders' management capabilities.

Enhancement of lean awareness of all members: Regarding the improvement of awareness of all members, initiatives such as improvement proposals, energy-saving measures, 5S enhancements, and simple automation were implemented across most company laboratories. Active employee participation has ensured comprehensive implementation of lean management, continuously optimizing processes, improving efficiency, and empowering business development.

(IV) Persistence of talent empowerment and initiation of a new journey of sustainable development

The Company consistently upholds sustainable development principles, recognizing that team growth and comprehensive organizational capability enhancement serve as the core engine driving sustainable development and the achievement of strategic objectives. Guided by this philosophy, the Company implemented multiple talent development initiatives in 2024 to establish a solid foundation for future growth.

Digital transformation in HR management: The ERP-HR module was successfully launched, deploying comprehensive functions including organizational development, recruitment management, payroll services, personnel services, attendance management, leadership assessment, performance management, qualification management, and executive management. Building on the Phase 1 achievements, the Company will further advance shared service center development, establish data dashboards, continuously enhance employee experience, provide robust decision-making support, and achieve digital and intelligent transformation of HR management to improve administrative efficiency and decision-making quality.

Upgrading of leadership assessment systems: In 2024, the Company comprehensively upgraded its leadership assessment system, expanding assessment coverage from C5-level and above managers to include C3-level managers (totaling 663 individuals). For C5-level managers, subordinate evaluation dimensions were added to ensure more comprehensive and objective assessments. Concurrently, the HR Department conducted 9 empowerment training sessions to align understanding of standards, with 1,800 participants improving their comprehension and execution of leadership criteria.

Cross-department talent mobility: The Company actively promoted cross-department talent mobility to break down silos, facilitate exchange and integration across business departments, and develop versatile management talent. This initiative enhances employees' comprehensive competencies and adaptability, providing compound talent support for diversified business development and enabling agile responses to market changes and expansion needs.

Specialized talent development: Focusing on sales, laboratory management, lean practices, and other specialized areas, targeted training programs were implemented to strengthen key personnel's professional capabilities, ensuring solid operational support. Customized talent programs in business department: Ten customized programs were conducted for eight business departments, covering over 230 core managers to address individualized talent development needs and enable precise business department strategies.

Tiered talent cultivation: HAP member growth: A tiered cultivation system was established based on the Group's leadership competency model. In 2024, 3 HAP members achieved consecutive promotions, injecting new vitality into the senior management team. The 6th phase of the LAP Guanghua Program selected elite mid-level managers, honing advanced competencies such as strategic decision-making and team leadership through premium courses and case studies. The Climb & Win Program for frontline managers covered all 657 supervisors, focusing on practical empowerment to enhance team execution. The Sunshine Program specifically nurtured young talent including new graduates, continuously infusing fresh energy for future development. This tiered cultivation system has established a clearly structured and well-connected management pipeline, ensuring sustainable development of the Company's leadership team.

Incentive and safeguard mechanisms: The Company recognizes the critical importance of retaining core talents and attracting outstanding talents. To this end, the Company has implemented diversified incentive measures including company-wide performance evaluations, employee share ownership plans, and equity incentive plans, fully motivating the core team's initiative and creativity. These efforts drive the team toward the Company's strategic objectives and establish a solid foundation for efficient, high-quality sustainable development. During the reporting period, the Company actively advanced talent incentive initiatives by launching the 2024 Phase 1 Employee Share Ownership Plan, covering 333 management and business backbones. Concurrently, the 2023 share repurchase plan was successfully completed, with a cumulative repurchase of 5 million shares for future equity incentive plans or employee share ownership plans. Additionally, the Company introduced a new share repurchase plan for 2-3 million shares, providing ongoing robust support for talent incentives.

(V) Strategic leadership for multi-dimensional enhancement of brand influence

During the reporting period, the Company leveraged its solid and steady development strategy to comprehensively advance brand-building efforts, significantly elevating brand influence and effect while consolidating and expanding its industry-leading position.

International competitiveness: The Company achieved a major breakthrough in its globalization efforts by upgrading from a global member of the TIC Council to a member of Board of Directors, marking another firm step toward its strategic goal of global expansion. This advancement signifies its deeper integration into the global trade and development system, assuming greater responsibilities and missions. As a member of Board of Directors in the TIC Council, the Company will fully utilize its strengths to actively participate in key activities such as international rule-making and industry collaboration, dedicated to becoming "the most internationally diverse Chinese TIC Body, and the leader for TIC services in the Chinese market". Throughout this process, the Company strictly adheres to international standards and norms, continuously optimizing its business process and enhancing service quality. With a rigorous and professional approach, it expands its overseas operations, gradually building an exceptional brand reputation in international markets and strengthening global client recognition and trust.

Sustainable development: The Company was awarded a Wind ESG AA rating, ranking first in the professional services field among Chinese listed companies; its S&P Global CSA score demonstrated outstanding performance in the global professional services field, with consecutive two-year inclusions in the *S&P Global Sustainable Development Yearbook (China Edition)* and recognition in the 2024 Wind ESG Best Practices Top 100 list, fully showcasing its exceptional performance in sustainable development. Regarding the strategy and commitments, the Company released its first carbon neutrality white paper, establishing carbon peaking and carbon neutrality targets to fulfill its green development commitments through concrete actions. This demonstrated its sense of responsibility and strategic vision in sustainable development, setting a benchmark for green development in the industry.

Standard development: During the reporting period, the Company led or participated in the formulation and revision of 57 new standards, including 3 international standards, 36 national standards, and 10 industry standards, among which 1 was a mandatory national standard. As of the end of the reporting period, the Company had participated in the formulation and revision of 760 standards, with 690 standards already published, including 14 international standards, 449 national standards, and 203 industry standards, among which 22 were mandatory national standards. Through active participation in standard development, the Company not only enhanced its technical influence and leadership in the industry but also made significant contributions to promoting standardized and regulated industry development, further solidifying its leading position.

Online marketing and market promotion: During the reporting period, the Company optimized its online marketing strategies and improved digital service quality, significantly enhancing client engagement and retention. Online sales achieved rapid year-on-year growth, with expanded digital channels providing new momentum for business growth. The marketing capabilities of various business departments improved notably, successfully expanding into multiple niche markets through precise positioning and innovative promotion strategies, thereby increasing the Company's market share and brand recognition across fields.

Lean culture and innovation culture: Lean management entered its 2.0 phase, with continuous internal process optimization and operational efficiency improvements further strengthening the Company's industry competitiveness. The innovation culture was promoted group-wide, encouraging employees to explore new technologies and methods, driving continuous advancements in R&D and service models, and injecting sustained momentum into long-term development.

Corporate governance and shareholder returns: Since its listing, the Company has prioritized improving corporate governance and optimizing operational models, adhering to rigorous governance principles and strictly complying with regulatory requirements for listed companies. It has established robust internal decision-making, oversight, and execution mechanisms to ensure lawful, compliant, and efficient operations. Regarding information disclosure, the Company maintained an "A-grade" assessment for six consecutive years and won the "2024 Outstanding Board Practices of Listed Companies" and "2024 Best Practices of Listed Companies' Office of Board of Directors" awards from the China Association for Public Companies. At the 15th Tianma Awards hosted by Securities Times, the Company stood out among numerous listed companies, receiving the "Tianma Award for Investor Relations Management of Chinese Listed Companies". The Company places shareholder returns at a strategic level, maintaining a consistent dividend policy since listing and continuously increasing cash dividend ratios to ensure shareholders share in its growth. This year, cash dividends reached a new high, enhancing capital market appeal and solidifying investor confidence.

Through coordinated efforts in carbon peaking and carbon neutrality /ESG, lean innovation, standard development, international cooperation, online marketing, and brand promotion, the Company has meticulously executed strategies to build an exceptional brand image and expand influence.

## 2. Revenue and cost

### (1) Operating revenue composition

Overall operating revenue

Unit: CNY

| | 2024 | | 2023 | | Year-on-year change |
|---|---|---|---|---|---|
| | Amount | Proportion of operating | Amount | Proportion of operating | |

| | | revenue | | revenue | |
|---|---|---|---|---|---|
| Total operating revenue | 6,084,016,542.19 | 100% | 5,604,624,525.83 | 100% | 8.55% |
| By industry | | | | | |
| Technical services | 6,084,016,542.19 | 100.00% | 5,604,624,525.83 | 100.00% | 8.55% |
| By product | | | | | |
| Life sciences | 2,840,674,286.25 | 46.69% | 2,497,268,179.56 | 44.56% | 13.75% |
| Industrial testing | 1,204,062,501.84 | 19.79% | 1,091,422,743.17 | 19.47% | 10.32% |
| Consumer goods testing | 988,004,869.88 | 16.24% | 979,424,453.58 | 17.48% | 0.88% |
| Trade assurance | 763,928,702.56 | 12.56% | 699,615,420.45 | 12.48% | 9.19% |
| Pharma and clinical services | 287,346,181.66 | 4.72% | 336,893,729.07 | 6.01% | -14.71% |
| By region | | | | | |
| China | 5,717,234,611.54 | 93.97% | 5,260,049,516.85 | 93.85% | 8.69% |
| Outside China | 366,781,930.65 | 6.03% | 344,575,008.98 | 6.15% | 6.44% |
| By sales mode | | | | | |
| Direct sales | 6,084,016,542.19 | 100.00% | 5,604,624,525.83 | 100.00% | 8.55% |

**(2) Industries, products, regions, and sales modes accounting for above 10% of the Company's operating income or profit**

☑ Applicable □ Not applicable

Unit: CNY

| | Operating revenue | Operating cost | Gross profit margin | Year-on-year variance in operating revenue | Year-on-year variance in operating cost | Year-on-year variance in gross profit margin |
|---|---|---|---|---|---|---|
| By industry | | | | | | |
| Technical services | 6,084,016,542.19 | 3,074,174,694.16 | 49.47% | 8.55% | 5.60% | 1.41% |
| By product | | | | | | |
| Life sciences | 2,840,674,286.25 | 1,408,485,016.64 | 50.42% | 13.75% | 8.25% | 2.52% |
| Industrial testing | 1,204,062,501.84 | 659,165,712.02 | 45.25% | 10.32% | 7.02% | 1.69% |
| Consumer goods testing | 988,004,869.88 | 557,921,898.71 | 43.53% | 0.88% | 3.14% | -1.24% |
| Trade assurance | 763,928,702.56 | 219,948,224.25 | 71.21% | 9.19% | -11.25% | 6.63% |
| Pharma and clinical services | 287,346,181.66 | 228,653,842.54 | 20.43% | -14.71% | 11.30% | -18.59% |
| By region | | | | | | |
| China | 5,717,234,611.54 | 2,803,646,620.86 | 50.96% | 8.69% | 3.95% | 2.24% |
| Outside China | 366,781,930.65 | 270,528,073.30 | 26.24% | 6.44% | 26.37% | -11.63% |
| By sales mode | | | | | | |
| Direct sales | 6,084,016,542.19 | 3,074,174,694.16 | 49.47% | 8.55% | 5.60% | 1.41% |

The Company's main business data for the previous one year, adjusted according to the statistical caliber at the end of the reporting period if the statistical caliber for the main business data of the Company was adjusted during the reporting period

□ Applicable ☑ Not applicable

**(3) The Company's revenue from goods sales is greater than its service revenue**

□ Yes ☑ No

**(4) Performance of major sales contracts or major purchase contracts signed by the Company as of the reporting period**

□ Applicable ☑ Not applicable

**(5) Operating cost composition**

Industry category

Unit: CNY

| Industry category | Items | 2024 | | 2023 | | Year-on-year change |
|---|---|---|---|---|---|---|
| | | Amount | Proportion of operating cost | Amount | Proportion of operating cost | |
| Technical services | Salaries | 1,258,304,382.81 | 40.93% | 1,199,403,892.35 | 41.20% | 4.91% |
| Technical services | Depreciation and amortization costs | 387,525,722.07 | 12.61% | 382,374,868.04 | 13.13% | 1.35% |
| Technical services | Outsourcing costs | 455,750,700.62 | 14.83% | 377,449,238.37 | 12.97% | 20.74% |
| Technical services | Experimental consumables | 325,341,787.89 | 10.58% | 290,709,211.83 | 9.99% | 11.91% |
| Technical services | Rent and utility costs | 140,912,692.19 | 4.58% | 133,634,646.18 | 4.59% | 5.45% |
| Technical services | Others | 506,339,408.58 | 16.47% | 527,715,004.46 | 18.12% | -4.05% |
| Total | | 3,074,174,694.16 | 100.00% | 2,911,286,861.23 | 100.00% | 5.60% |

Description

None.

**(6) Whether the scope of consolidation changed during the reporting period**

☑ Yes □ No

Compared with the previous period, the number of entities included in the scope of consolidated financial statements in the current period increased by 14 and decreased by 8. For detailed information on the entities with changed scope of consolidation, refer to Section 10.9 Changes in the scope of consolidation.

**(7) Any significant changes or adjustments to the Company's business, products or services during the reporting period**

□ Applicable ☑ Not applicable

**(8) Major sales clients and major suppliers**

The Company's main sales clients

| | |
|---|---|
| Total sales amount of top five clients of the Company (CNY) | 167,602,357.21 |
| Total sales amount of top five clients as proportion of total annual sales amount | 2.75% |
| Sales amount of related parties in sales amount of top five clients as proportion of total annual sales amount | 0.00% |

Information on top five clients of the Company

| No. | Client name | Sales amount (CNY) | Proportion of total annual sales amount |
|---|---|---|---|
| 1 | Client 1 | 97,892,118.87 | 1.61% |
| 2 | Client 2 | 21,093,226.11 | 0.35% |
| 3 | Client 3 | 18,487,528.55 | 0.30% |
| 4 | Client 4 | 17,964,396.05 | 0.30% |
| 5 | Client 5 | 12,165,087.63 | 0.20% |
| Total | -- | 167,602,357.21 | 2.75% |

Other descriptions of major clients

□ Applicable ☑ Not applicable

The main suppliers of the Company

| | |
|---|---|
| Total purchase amount of top five suppliers of the Company (CNY) | 276,998,782.83 |
| Total purchase amount of top five suppliers as proportion of total annual purchase amount | 10.44% |
| Purchase amount of related parties in purchase amount of top five suppliers as proportion of total annual purchase amount | 0.00% |

Information on top five suppliers of the Company

| No. | Supplier name | Purchase amount (CNY) | Proportion of total annual purchase amount |
|---|---|---|---|
| 1 | Supplier 1 | 72,826,982.72 | 2.74% |
| 2 | Supplier 2 | 70,884,718.23 | 2.67% |
| 3 | Supplier 3 | 68,939,116.94 | 2.60% |
| 4 | Supplier 4 | 34,415,964.94 | 1.30% |
| 5 | Supplier 5 | 29,932,000.00 | 1.13% |
| Total | -- | 276,998,782.83 | 10.44% |

Other information on major suppliers

□ Applicable ☑ Not applicable

## 3. Expenses

Unit: CNY

| | 2024 | 2023 | Year-on-year change | Description of major changes |
|---|---|---|---|---|
| Selling expenses | 1,040,365,650.38 | 960,781,075.35 | 8.28% | |
| General and administrative expenses | 370,423,438.51 | 343,585,672.73 | 7.81% | |
| Finance costs | 4,014,897.19 | -748,744.92 | 636.22% | Primarily due to a decrease in interest income compared to the same period last year |
| R&D expenses | 529,292,294.38 | 472,621,671.34 | 11.99% | |

## 4. R&D investment

☑ Applicable □ Not applicable

| Name of main | Program purpose | Program progress | Goal to be achieved | Expected impact on the |
|---|---|---|---|---|

| R&D programs | | | | Company’s future development |
|---|---|---|---|---|
| A Temperature Shock Test Chamber Capable of Instant High-Low Temperature Changes | The objective of this project is to develop a temperature shock test chamber capable of instant high-low temperature changes to address the issues associated with existing high-low temperature shock test chambers. In current technology, these chambers require rapid temperature adjustment of the entire test enclosure, and temperature changes must occur through a relatively slow process, resulting in prolonged testing durations and significant energy wastage. | An invention patent authorization was granted, with the application No. of 202011570918.1 | The patent was applied, and the patent license was obtained | This innovation significantly reduces test duration, decreases energy consumption, and enhances the Company’s electronic product test efficiency. |
| Mixed Gas Corrosion Test Chamber | The objective of this project is to develop a mixed gas corrosion test chamber to resolve the technical issues of existing mixed gas corrosion test chambers, which are unable to control the volume of the test gases and fail to ensure sufficient contact between the gases and the test panels during the test process. This inadequacy leads to inaccuracies in the test results obtained from these chambers. | An invention patent authorization was granted, with the application No. of 202011570912.4 | The patent was applied, and the patent license was obtained | It will enhance the Company’s test capabilities in electrical and electronic product components, systems, and materials. |
| Photocatalytic-SERS Dual-Functional Nanomaterial Preparation and Application Method | The objective of this project is to develop a cost-effective and high-performance photocatalytic material that improves the material’s SERS sensitivity and enhances the photocatalytic degradation performance of azo dyes. It aims to address the technical issues in existing photocatalytic materials, which are expensive and require performance improvements. | An invention patent authorization was granted, with the application No. of 202210972380.X | The patent was applied, and the patent license was obtained | It will enhance the Company’s core competitiveness in environmental-related test fields (such as photocatalytic applications including dye degradation in wastewater, carbon dioxide reduction, and air purification), achieving cost reduction and efficiency improvement. |
| Hollow Ruthenium-Copper Alloy Nanoparticle Preparation and Application Method | The objective of this project is to develop a copper-based SERS substrate material that can replace precious metals, balancing the cost and performance of SERS substrates. It will enhance the SERS sensitivity of materials by designing and optimizing the structure and composition of the copper-based SERS substrate material. | An invention patent authorization was granted, with the application No. of 202210963935.4 | The patent was applied, and the patent license was obtained | It will significantly enhance the Company’s test capabilities in food, environmental, and chemical fields using Surface Enhanced Raman Scattering (SERS) technology, effectively reducing production and test costs while increasing economic benefits. |
| A Method for Simultaneous Detection of EGFR Gene T790M and C797S Cis-Trans Mutations | Current technologies lack a method and product with high detection sensitivity, short test cycles, low costs, and the ability to directly determine the cis-trans mutation configuration of T790M and C797S; to address these issues, this invention develops a method for simultaneous | An invention patent authorization was granted, with the application No. of 202211608237.9 | The patent was applied, and the patent license was obtained | It will enhance the Company’s core competitiveness in the field of genetic testing. |

| | | | | |
|---|---|---|---|---|
| | detection of EGFR gene T790M and C797S cis-trans mutations, enabling direct analysis and determination of the mutations based on sample sequencing data, providing rapid, convenient, and accurate results. | | | |
| Systematic Data Value Assessment Method, Device, Equipment, and Storage Medium | The primary objective of this project is to develop a systematic data value assessment method, device, equipment, and storage medium, aiming to address the technical issue of low accuracy in data value assessment for ToB systems. | An invention patent authorization was granted, with the application No. of 202410147738.4 | The patent was applied, and the patent license was obtained | It will enhance the Company’s technical capabilities in electronic authentication, thereby improving core competitiveness and increasing economic benefits. |
| Smart Toe Cap Material Impact Resistance Test Method and Equipment | The main objective of this project is to develop an impact testing device and method for toe cap materials, enabling convenient and accurate testing of impact resistance performance, effectively improving product quality before leaving the factory. Addresses the current issue in shoe manufacturing where toe cap materials cannot be sufficiently tested during factory inspections, making it difficult to evaluate their impact resistance. | An invention patent authorization was granted, with the application No. of 202410711431.2 | The patent was applied, and the patent license was obtained | It will help expand the Company’s test capabilities and business in textile materials and related fields, increasing economic output. |
| Nestling Rearing Device | The objective of this project is to develop a nestling rearing device to address the technical issue of difficulty in precisely controlling the temperature, humidity, and ventilation effects within each incubator when there are a large number of incubator bodies in existing technologies. | A utility model patent was granted for this invention, with the application No. of 202420100001.2. | The patent was applied, and the patent license was obtained | It aims to enhance the detection efficiency of the company in the field of biomedical testing, reduce energy consumption, and save costs. |
| Dual-Wavelength Raman Spectroscopy Detection Device | The objective of this project is to develop such a device to solve the problem of low intensity of Raman scattering signals generated after irradiating test materials, as well as the relatively wide scattering range of these signals, when the test material is in a liquid state. This occurs because the excitation light source tends to partially penetrate the test material, resulting in a lower intensity of Raman scattering signals collected by the Raman spectroscopy detection device, ultimately affecting the quality of Raman spectroscopic imaging. | A utility model patent was granted for this invention, with the application No. of 202420286963.1 | The patent was applied, and the patent license was obtained | It will significantly enhance the Company’s Raman spectroscopy test capabilities, boosting economic benefits in materials science, chemical analysis, biomedicine, and environmental monitoring. |
| Defibrillation Protection Detection Tooling for Invasive Blood Pressure Monitoring Equipment | This project belongs to the field of medical electrical equipment detection technology. Its main purpose is to develop defibrillation protection detection tooling for invasive blood pressure monitoring equipment to address the problem of difficulty in precisely controlling the hydraulic values generated by | A utility model patent was granted for this invention, with the application No. of 202420788273.6 | The patent was applied, and the patent license was obtained | It will strengthen the Company’s medical device test capabilities and support market expansion in related sectors. |

| | | | | |
|---|---|---|---|---|
| | conventional vessels. Additionally, after applying high-voltage energy, the liquid environment within conventional vessels is prone to oscillation, making it difficult to maintain a stable hydraulic signal and ultimately affecting detection precision. | | | |
| Feeding Device | The primary objective of this project is to develop a feeding device to address the issue of manual feeding by test personnel based on the actual progress of microbial pretreatment operations. This manual feeding method, especially when dealing with large quantities of test samples, leads to a decrease in test efficiency. | A utility model patent was granted for this invention, with the application No. of 202421049057.6 | The patent was applied, and the patent license was obtained | An automated feeding device will significantly improve the operational efficiency of microbial experiments, greatly enhance the Company's production efficiency in food, environmental, and other test fields, and increase economic benefits. |
| Light gauge metal containers - Vocabulary and classification - Part 2: General cans | Thin-walled metal containers are widely used in food packaging, pharmaceutical packaging, daily necessities packaging, instrument and meter packaging, industrial product packaging, ammunition packaging, etc. This project investigates and standardizes relevant terminology for general-purpose cans and classifies them to provide basic norms for the industry's development. | The international standard has been published | It will enhance the Company's influence in international standards. | It will help the Company establish a professional image in the international market, improve its competitiveness in the global packaging test field, and enhance its reputation in the international test field. |
| General Requirements for Fitness Equipment Suitability for the Elderly | Considering the needs of the elderly aged 60 and above in China when using fitness equipment at this stage, this project innovatively formulates general requirements for safety and usability. It establishes terms and definitions, general principles for fitness equipment suitability for the elderly, and stipulates requirements, labeling, and instructions for use | It has been published as a national standard and is among the first batch of national standards for fitness equipment suitability for the elderly released in China | It will enhance the Company's influence in promoting the high-quality development of fitness equipment for the elderly, adapting to China's aging society, and facilitating the physical and mental health of the elderly, thus driving the standardization and healthy development of the industry | It will promote the Company's development in the silver hair economy field and expand its service areas |
| Determination of Chromium Picolinate in Health Food Products | The primary objective of this project is to develop a method for determining the content of chromium picolinate in health food products using high-performance liquid chromatography. Chromium picolinate plays roles in lowering blood sugar, promoting weight loss, strengthening muscles, enhancing physical fitness, and boosting immunity. This method is applicable to various health food dosage forms, including tablets, hard capsules, soft capsules, granules, powders, oral solutions, beverages, and tea preparations | The national standard has been published | It will ensure the scientificity and accuracy of determining the chromium picolinate content in health food products, contributing to improved industry and market supervision and safeguarding consumer health and safety | It will enhance the Company's authority and market recognition in the field of health food test and increase client trust |
| Safety of Smart | This standard proposes | The national | It will ensure that smart | It will enhance the |

| | | | | |
|---|---|---|---|---|
| Consumer Goods - Part 3: Risk Control | identification methods for potential hazards (sources) in smart consumer goods in terms of physics, chemistry, information, and ethics, as well as comprehensive risk assessment methods, and provides risk control measures. | standard has been published | consumer goods comply with strict safety standards, reduces user risks, guides enterprises in optimizing product design and manufacturing processes, and minimizes product quality safety hazards. | Company's technical capabilities and market position in smart home and IoT fields |
| Technical Requirements and Test Methods for Vehicle Positioning Systems - Part 1: Satellite Positioning | The objective of this project is to standardize the performance metrics, technical requirements, and test methods for vehicle positioning systems to ensure precision and reliability, providing automakers and users with dependable technical support. | The national standard has been published | It will improve the positioning precision and system reliability to meet automotive industry demands | It will establish technological leadership in vehicle connectivity and autonomous driving fields and strengthen market competitiveness |
| Glucose Oxidase Activity Detection Method | The objective of this project is to develop a rapid and accurate testing protocol to standardize glucose oxidase activity measurement for food processing, pharmaceuticals, and scientific research applications | The national standard has been published | It will ensure precise and efficient activity measurement for reliable data in research and industrial applications | It will expand technical expertise and market influence across food, pharmaceutical, biotech, and research fields. |
| Electronic Gases - Carbonyl Sulfide | The objective of this project is to develop product standards for carbonyl sulfide in electronic gases, specifying technical requirements, sampling procedures, test methods, and inspection rules to guarantee quality and purity for semiconductor manufacturing | The national standard has been published | It will provide scientific specifications and reliable test methods meeting high-tech industry requirements | It will strengthen professional standing in the fields of semiconductor and electronic materials testing and expand high-end testing services |
| Technical Requirements for Safety of Companion Animal (Pet) Supplies | This project aims to establish safety technical requirements for pet supplies, ensuring product safety and applicability, and safeguarding the health of pets and their owners | A national standard has been published, which is China's first national standard addressing the safety of pet supplies | It is designed to enhance the quality and safety standards of pet supplies, preventing and reducing injuries to pets and their owners caused by the use of substandard pet products | It will expand the Company's market share in the pet supplies test field and enhance brand recognition |
| Noise Test Methods for Household and Similar Electrical Appliances - Particular Requirements for Dry Cleaning Robots | This project aims to specify the airborne noise testing protocol for dry cleaning robots to ensure quiet household operation and superior user experience | The national standard has been published | It will deliver scientifically validated noise assessment methods and ensure compliance with low-noise standards | It will strengthen the Company's technical advantages and market position in smart home and cleaning equipment fields |
| Determination of Certain Substances in Electrical and Electronic Products - Part 2: Disassembly, Separation and Mechanical Sample Preparation | This project aims to standardize the disassembly, dismantling, and mechanical sample preparation methods for the determination of hazardous substances in electrical and electronic products, ensuring the representativeness and homogeneity of sampling to enhance the accuracy and repeatability of test results | The national standard has been published | It will provide standardized disassembly and sample preparation methods to guarantee the precision of hazardous substance detection | It will elevate the Company's technological prowess and market influence in the fields of environmental testing and electronic waste management |
| Greenhouse Gases - Product Carbon Footprint | The objective of this project is to develop quantification standards and guidelines for greenhouse | The national standard has been published | It will offer scientific approaches and tools to assist enterprises in | It will establish the Company's leadership position within the |

| | | | | |
|---|---|---|---|---|
| - Quantification Requirements and Guidelines | gas emissions and product carbon footprints to aid enterprises in assessing and mitigating their carbon emissions | | effectively managing and reducing their carbon emissions | domains of green economy and sustainable development, thereby expanding its market share |
| General Safety Requirements for Shoes | This project aims to update and refine multiple safety indicator requirements for shoes products, expanding the coverage of mandatory standards from originally specific products such as rubber shoes, athletic shoes, and industrial/mining boots to all daily-wear shoes categories including leather shoes, sneakers, casual shoes, slippers, and snow boots, thereby enhancing the applicability of the standards | The national standard has been published | It will elevate the safety requirements for shoes products to protect consumer health and safety, and promote the healthy development of the shoes manufacturing industry | It will enhance the Company's professional image and market share in the shoes testing market |
| Determination of L-(+)-Glutamic Acid Content in Meat and Meat Products | This project aims to standardize the determination of free L-(+)-glutamic acid content in meat and meat products, stipulating two accurate and reliable detection methods to improve product quality and drive the development of the nutrition and health field within the food industry | The national standard has been published | It will ensure the accuracy of L-(+)-glutamic acid content determination, an important flavor component in meat and meat products, safeguarding the development of food nutrition and health | It will enhance the Company's technical capabilities and market influence in the fields of food quality and safety, nutrition, and health testing |
| R&D of Detection Methods for Alcohol Ethers in Automotive Interior Components | With the increase in consumer complaints and the gradual improvement of regulations, major automotive manufacturers have intensified their efforts to control in-car air quality. Through the R&D of this project, it will assist vehicle manufacturers in managing in-car air quality. | Study results have been achieved | The objective of this project is to develop detection methods for ethylene glycol ethers and propylene glycol ethers in automotive interior components and materials, transforming them into routine testing services. | It will consolidate the Company's technological leadership in the automotive test field and capture a larger market share. |
| R&D of Database Vulnerability Identification and Management Software | As databases serve as infrastructure for storing and managing critical information, their security directly relates to enterprise operations and user privacy protection. This project aims to develop software capable of effectively identifying and managing database vulnerabilities, which is of great significance for safeguarding enterprise and personal data security. | Study results have been achieved | A database vulnerability identification and management software with high accuracy, strong adaptability, and user-friendliness has been developed, providing corresponding technical services to clients. | It will improve business processing speed, refine vulnerability scanning reports, and offer clients a better user experience. |
| Research on the Epad Method for Ground Lines on the Backside of Chips | The technology of removing the backside of a chip while preserving ground lines is an important detection technique in the semiconductor test industry, boasting high competitiveness. Through this research project, enhance the detection efficiency and quality of packaged chips. | Study results have been achieved | By researching and developing the Epad method for ground lines on the backside of a chip, increase the yield to approximately 99%. | It will enhance the laboratory's sample preparation yield, enhance the Company's technological influence in the industry, and thereby generate economic benefits. |
| R&D of Metallographic Analysis Methods for Low-Pressure Turbine Blades in Aero-Engines | Low-pressure turbine blades in aero-engines are key components of an aircraft's power system, with extreme operating environments imposing extremely high requirements on | Study results have been achieved | By researching and developing metallographic test methods for titanium alloy turbine blades, explore the causes of | It will expand the laboratory's test capabilities and scope in the field of aviation materials, and extend its influence in the |

| | | | | |
|---|---|---|---|---|
| | blade materials and structures. Through this research project, provide comprehensive solutions for evaluating material performance and reliability. | | material failure and provide solutions. | aviation field. |
| Preclinical Safety Evaluation of Quisno | Malaria remains one of the world’s top three infectious diseases, making the discovery of novel molecular targets and development of multi-stage antimalarial drugs an urgent priority. This project conducts preclinical safety studies on Quisno to establish foundations for developing novel patented antimalarial combination therapies. | Study results have been achieved | We conducted study on the toxicokinetic, toxic target organs and tissues, and effects on various systems of Quisno, and drawn conclusions. | It will enhance the Company’s influence as a GLP laboratory in the field of preclinical safety research and evaluation, attract more collaborations with pharmaceutical R&D enterprises, expand brand influence, and improve the medical service industry chain. |
| Establishment and Validation of a Human Skin Model for Repairing and Soothing Effects | This project simulates different skin conditions claimed to be targeted by creating certain skin barrier damage or irritation models through physical effects and chemical stimulation methods. It aims to create differentiated application scenarios for claims of soothing and repairing efficacy and validate the reliability of the models. | Study results have been achieved | It will establish a reliable and scientific skin model and indicator system to address the limitations of subjects’ skin types, enabling large-scale application of the model. | It will enhance clients’ recognition of and satisfaction with the Company’s professional expertise, while also providing a reference for the gaps in industry methods. |
| Research on the Benthic Community Structure in the Minjiang River Estuary | This project conducts a comprehensive investigation and analysis of the characteristics of benthic animal biodiversity, species composition, and community structure in the coastal waters of the Minjiang River Estuary, laying a foundation for the development of marine biological resources, biodiversity conservation, and monitoring of marine environmental changes in China’s sea areas. | Study results have been achieved | It explores and comprehensively elucidates the variation patterns, causes, and mechanisms of basic parameters such as the community structure of marine benthic organisms with environmental changes from multiple perspectives, obtaining credible and high-quality data. | Accumulate professional data, enhance the Company’s professionalism and reputation in the field of marine environment, and expand business scope. |
| R&D of Rapid Spectral Detection Technology Based on Artificial Intelligence | This project focuses on the development of small, precise spectral instruments and data analysis models, conducting R&D in maritime and other fields to meet the rapid detection needs in these areas, with the aim of achieving industrial application of efficient intelligent spectral rapid test technology. | Study results have been achieved | Taking the detection of harmful substances in marine fuels as the study object, in response to the high cost of harmful substance analysis, a spectral method combined with machine learning is adopted for the composition analysis of fuels. | It will improve the application level of domestic small intelligent spectral technology in the detection industry and realize the rapid response of business departments to client needs. |
| Research on Detection Methods for Vehicle-Mounted Satellite Positioning Systems | The global navigation satellite system positioning technology is an essential basic technology for automotive autonomous driving, and the demand for such detection from automotive industry clients is increasing. Through the R&D of this project, client pain points will be addressed. | Study results have been achieved | A test method for vehicle-mounted satellite positioning systems suitable for the vehicle production line process will be developed, and services will be provided to clients. | This fills the testing gap in related fields, accumulates testing experience for us and the industry, enhances brand influence, and secures initiative and priority. |
| R&D of Antibacterial | Cat litter is an indispensable daily necessity for pet cats, and its | Study results have been | It will develop a method suitable for detecting | It will enhance the Company’s technical |

| | | | | |
|---|---|---|---|---|
| Function Testing for Pet Products | cleanliness can directly affect the hygiene and safety of the human living environment. Through the R&D of this project, it contributes to improving the product quality of pet products. | achieved | the antibacterial rate of cat litter and transform it into a routine testing service. | level in the field of pet product testing and service quality. |

R&D professionals in the Company

| | 2024 | 2023 | Variance proportion |
|---|---|---|---|
| Number of R&D professionals (person) | 2,163 | 1,948 | 11.04% |
| Proportion of number of R&D professionals | 15.99% | 14.96% | 1.03% |
| R&D professionals' education background | | | |
| Bachelor's degree | 1,395 | 1,189 | 17.33% |
| Master's degree | 230 | 212 | 8.49% |
| Others | 538 | 547 | -1.65% |
| Composition of R&D professionals by age | | | |
| Below 30 | 786 | 816 | -3.68% |
| 30-40 | 1,164 | 982 | 18.53% |
| Above 40 | 213 | 150 | 42.00% |

R&D investment by the Company in the past three years and its proportion to operating income

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Amount of R&D investment (CNY) | 529,292,294.38 | 472,621,671.34 | 434,964,770.22 |
| R&D investment as proportion of operating revenue | 8.70% | 8.43% | 8.48% |
| Amount of capitalized R&D expenditures (CNY) | 0.00 | 0.00 | 0.00 |
| Capitalized R&D expenditures as proportion of R&D investment | 0.00% | 0.00% | 0.00% |
| Capitalized R&D expenditures as proportion of current net profit | 0.00% | 0.00% | 0.00% |

Reasons for and impacts of significant changes in the composition of R&D professionals

□ Applicable ☑ Not applicable

Reasons for the significant changes in the proportion of total R&D investment to operating revenue compared with the previous year

□ Applicable ☑ Not applicable

Reasons and rationality explanation for significant changes in the capitalization rate of R&D investment

□ Applicable ☑ Not applicable

## 5. Cash flow

Unit: CNY

| Items | 2024 | 2023 | Year-on-year change |
|---|---|---|---|
| Subtotal of cash inflows from operating activities | 6,078,476,892.89 | 5,889,184,599.99 | 3.21% |
| Subtotal of cash outflows from operating activities | 5,015,576,956.06 | 4,766,789,843.12 | 5.22% |
| Net cash flows from operating | 1,062,899,936.83 | 1,122,394,756.87 | -5.30% |

| | | | |
|---|---|---|---|
| activities | | | |
| Net cash flow from operating activities | 516,423,613.42 | 567,527,946.06 | -9.00% |
| Subtotal of cash outflows from investment activities | 1,796,242,882.06 | 1,412,080,306.02 | 27.21% |
| Net cash flows from investing activities | -1,279,819,268.64 | -844,552,359.96 | -51.54% |
| Subtotal of cash inflows from financing activities | 14,176,679.14 | 17,842,685.84 | -20.55% |
| Subtotal of cash outflows from financing activities | 376,332,515.71 | 445,690,884.74 | -15.56% |
| Net cash flows from financing activities | -362,155,836.57 | -427,848,198.90 | 15.35% |
| Net increase in cash and cash equivalents | -574,501,284.11 | -149,679,991.32 | -283.82% |

Description of main influencing factors of year-on-year significant changes in relevant data

☑ Applicable □ Not applicable

[Net cash flows from investing activities]: It decreased by 51.54% year-on-year, mainly due to an increase in the purchase of wealth management products compared to the same period last year.

[Net increase in cash and cash equivalents]: It decreased by 283.83% year-on-year, mainly due to changes in the aforementioned operating, investing, and financing activities in the current period.

Reasons for the significant difference between the net cash flow from operating activities of the Company during the reporting period and the net profits for the current year

□ Applicable ☑ Not applicable

## V. Other businesses activities

☑ Applicable □ Not applicable

Unit: CNY

| | Amount | Proportion of total profit | Cause | Sustainability |
|---|---|---|---|---|
| Investment income | 46,254,662.69 | 4.54% | Mainly due to the decrease in investment income generated from disposal of other non-current financial assets in the current period | No |
| Gain or loss from changes in fair value | 1,574,118.49 | 0.15% | Mainly due to the decrease in the fair value changes of other non-current financial assets in the current period | No |
| Asset impairment | -33,855,291.50 | -3.32% | Mainly due to the provision for asset impairment on contract assets and goodwill in the current period | No |
| Non-operating revenue | 6,444,325.43 | 0.63% | Mainly due to the decrease in incidental income in the current period | No |
| Non-operating expenditure | 5,695,352.07 | 0.56% | Mainly due to the decrease in losses from scrapping of non-current assets in the current period | No |
| Other income | 50,415,470.31 | 4.95% | Mainly due to the decrease in government subsidies received in | No |

| | | | | |
|---|---|---|---|---|
| | | | the current period | |
| Credit impairment losses | -85,382,234.73 | -8.38% | Mainly due to the impact of impairment losses provisioned for accounts receivable in the current period | No |
| Asset disposal income | 12,019,761.85 | 1.18% | Mainly due to the increase in gains from the disposal of assets during this period compared to the same period last year | No |
| Minority shareholders' profit and loss | 11,814,909.75 | 1.16% | Mainly due to the decrease in profits from non-wholly-owned subsidiaries | No |

## VI. Analysis of assets and liabilities

### 1. Major changes in asset composition

Unit: CNY

| | End of 2024 | | Beginning of 2024 | | Increase or decrease in proportion | Description of major changes |
|---|---|---|---|---|---|---|
| | Amount | Proportion of total assets | Amount | Proportion of total assets | | |
| Cash and cash equivalents | 882,727,579.22 | 9.34% | 1,450,683,775.30 | 16.58% | -7.24% | Mainly due to the increase in the purchase of wealth management products in the current period |
| Accounts receivable | 1,980,208,076.51 | 20.95% | 1,585,859,420.53 | 18.13% | 2.82% | |
| Contract assets | 257,887,396.24 | 2.73% | 182,590,697.23 | 2.09% | 0.64% | Mainly due to the increase in completed but unsettled receivables compared with the beginning of the year |
| Inventories | 100,567,954.67 | 1.06% | 98,620,856.31 | 1.13% | -0.07% | |
| Investment real estate | 30,649,324.99 | 0.32% | 31,516,324.02 | 0.36% | -0.04% | |
| Long-term equity investments | 364,772,927.66 | 3.86% | 336,105,175.17 | 3.84% | 0.02% | |
| Fixed assets | 2,646,225,977.26 | 27.99% | 2,424,113,735.05 | 27.71% | 0.28% | |
| Construction in progress | 102,140,783.53 | 1.08% | 213,857,614.03 | 2.44% | -1.36% | Mainly due to the conversion of infrastructure under construction into fixed assets in the current period |
| Right-of-use assets | 318,417,593.43 | 3.37% | 345,336,380.41 | 3.95% | -0.58% | |
| Short-term borrowings | 2,002,016.65 | 0.02% | 7,604,012.07 | 0.09% | -0.07% | Mainly due to the repayment of short-term borrowings in the current period |

| | | | | | | |
|---|---|---|---|---|---|---|
| Contract liabilities | 127,048,211.65 | 1.34% | 100,802,137.29 | 1.15% | 0.19% | |
| Long-term borrowings | 9,783,815.87 | 0.10% | 7,293,781.33 | 0.08% | 0.02% | Mainly due to the increase in long-term loans in the current period |
| Lease liabilities | 230,723,734.67 | 2.44% | 260,007,551.47 | 2.97% | -0.53% | |
| Other receivables | 103,247,564.07 | 1.09% | 66,484,207.95 | 0.76% | 0.33% | Mainly due to new payments received from the disposal of assets in the current period |
| Financial assets at fair value through profit or loss | 443,026,438.36 | 4.69% | 0.00 | 0.00% | 4.69% | Mainly due to the purchase of wealth management products in the current period |
| Other non-current financial assets | 15,486,543.73 | 0.16% | 41,317,524.79 | 0.47% | -0.31% | Mainly due to the sale of other non-current financial assets in the current period |
| Trading financial liabilities | 981,621.78 | 0.01% | 1,900,000.00 | 0.02% | -0.01% | Mainly due to the payment of variable consideration in the current period |
| Notes payable | 3,690,516.92 | 0.04% | 51,023.62 | 0.00% | 0.04% | Mainly due to the increase in payments made through bills in the current period |
| Dividends payable | 631,042.91 | 0.01% | 31,042.91 | 0.00% | 0.01% | Mainly due to the increase in dividends payable in the current period |
| Other current liabilities | 3,371,893.02 | 0.04% | 2,557,798.16 | 0.03% | 0.01% | Mainly due to the increase in VAT output tax pending transfer-out |
| Goodwill | 1,078,671,947.55 | 11.41% | 805,193,019.25 | 9.20% | 2.21% | Mainly due to the goodwill generated by the newly M&A companies in the current period |

Overseas assets account for a high proportion

□ Applicable ☑ Not applicable

## 2. Assets and liabilities measured in fair value

☑ Applicable □ Not applicable

Unit: CNY

| Items | Amount at the beginning of the current period | Gain or loss from changes in fair value in the current | Accumulated changes in fair value recognized in | Impairment accrued in the current | Purchase amount in the current period | Sales amount in the current period | Other changes | Amount at the end of the current period |
|---|---|---|---|---|---|---|---|---|

| | | period | equity | period | | | | |
|---|---|---|---|---|---|---|---|---|
| Financial assets | | | | | | | | |
| 1. Financial assets at fair value through profit or loss (excluding derivative financial assets) | | 35,968.49 | | | 556,900,000.00 | 113,909,530.13 | | 443,026,438.36 |
| 5. Other non-current financial assets | 41,317,524.79 | | | | | 25,830,981.06 | | 15,486,543.73 |
| Total | 41,317,524.79 | 35,968.49 | | | 556,900,000.00 | 139,740,511.19 | | 458,512,982.09 |
| Financial liabilities | 1,900,000.00 | 1,538,150.00 | | | 981,621.78 | 3,438,150.00 | | 981,621.78 |

Other changes

Whether there are significant changes in the metrology attributes of the Company's main assets during the reporting period

□ Yes ☑ No

### 3、Asset rights restrictions as of the end of the reporting period

Unit: CNY

| Items | Amount | Reasons for restriction |
|---|---|---|
| Cash and cash equivalents | 32,093,783.42 | Bid bonds, performance bonds, advance payment guarantees, judicial freezes, and others |

## VII. Analysis of investment status

### 1. General situation

□ Applicable ☑ Not applicable

### 2. Major equity investments acquired during the reporting period

□ Applicable ☑ Not applicable

### 3. Major non-equity investments ongoing during the reporting period

□ Applicable ☑ Not applicable

### 4. Financial asset investment

#### (1) Securities investment

□ Applicable ☑ Not applicable

The Company had no securities investment during the reporting period.

**(2) Derivatives investment**

□ Applicable ☑ Not applicable

The Company had no derivative investment during the reporting period.

### 5. Use of raised funds

□ Applicable ☑ Not applicable

The Company did not use any raised funds during the reporting period.

## VIII. Sales of major assets and equities

### 1. Sale of major assets

□ Applicable ☑ Not applicable

The Company did not sell any major assets during the reporting period.

### 2. Sales of major equities

□ Applicable ☑ Not applicable

## IX. Analysis of major holding and participating companies

☑ Applicable □ Not applicable

Major subsidiaries and equity companies that have an impact on the Company's net profit of more than 10%

Unit: CNY

| Company name | Company type | Main business | Registered capital | Total assets | Net assets | Operating revenue | Operating profit | Net profit |
|---|---|---|---|---|---|---|---|---|
| Shanghai CTI Pinbiao Testing Technology Co., Ltd. | Subsidiary | Provision of testing services | 30,868,981.00 | 419,978,383.55 | 252,306,180.51 | 501,102,948.57 | 140,695,068.69 | 124,996,556.20 |

Acquisition and disposal of subsidiaries during the reporting period

☑ Applicable □ Not applicable

| Company name | Methods of acquisition and disposal of subsidiaries during the reporting period | Impact on overall production, operation and performance |
|---|---|---|
| Centre Testing International Metrology Testing (Henan) Co., Ltd. | Asset acquisition | No significant impact |
| GRAND VANTAGE GLOBAL VERIFICATION LIMITED | Business combination not under common control | No significant impact |
| NAIAS SCIENTIFIC - ANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME | Business combination not under common control | No significant impact |
| VIRCON LIMITED | Business combination not under common control | No significant impact |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | Business combination not under common control | No significant impact |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | Business combination not under common control | No significant impact |
| Greater Asia Pacific Limited | Business combination not under common control | No significant impact |

| | | |
|---|---|---|
| Microtek (Changzhou) Product Service Co., Ltd. | Business combination not under common control | No significant impact |
| Shenzhen CTI Fengxue Testing Technology Co., Ltd. | Newly established | No significant impact |
| Shanghai CTI Fengxue Testing Technology Co., Ltd. | Newly established | No significant impact |
| Shenzhen CTI Yunjian Construction Technology Co., Ltd. | Newly established | No significant impact |
| Suzhou CTI Jiakang Physical Examination Center Co., Ltd. | Newly established | No significant impact |
| CENTRE TESTING INTERNATIONAL (VIETNAM) LIMITED LIABLITY COMPANY | Newly established | No significant impact |
| CTI Pinbiao Energy Technology Services (Beijing) Co., Ltd. | Newly established | No significant impact |
| Kunming CTI Medical Testing Laboratory Co., Ltd. | Disposal | No significant impact |
| Beijing CTI Medical Testing Laboratory Co., Ltd. | Disposal | No significant impact |
| Henan Hucheng Information Technology Co., Ltd. | Disposal | No significant impact |
| Henan CTI Quantong Engineering Testing Co., Ltd. | Disposal | No significant impact |
| Shanghai CTI Zhike Materials Technology Co., Ltd. | Disposal | No significant impact |
| Mirui (Shanghai) Testing Technology Co., Ltd. | Disposal | No significant impact |
| Shenzhen Huacheng Kangda Investment Partnership (Limited Partnership) | Disposal | No significant impact |
| Ningguo CTI Testing Technology Co., Ltd. | Disposal | No significant impact |

Description of major holding and participating companies

Shanghai CTI Pinbiao Testing Technology Co., Ltd. is a wholly-owned subsidiary of CTI. Business scope; licensed items: testing services; import and export of goods; import and export of technology; inspection and assessment of imported and exported goods; certification services. (For items subject to approval according to law, business activities can only be carried out after approval by relevant departments, and specific items subject to approval documents or licenses of relevant departments should prevail); general items: technical services, technical development, technical consulting, technical exchange, technology transfer, technology promotion; laboratory test Technical and information consulting services; R&D of special electronic materials; environmental protection testing; environmental consulting services; electromagnetic radiation of power grids and information systems Control technology development; metrology services. (Except for items that require approval according to law, business activities can be carried out independently in accordance with the law with a business license).

## X. Structural entities controlled by the Company

□ Applicable ☑ Not applicable

## XI. Prospects for the Company’s future development

(I) Corporate development strategy

As the Chinese economy is facing deep structural adjustments that is, the fourth industrial revolution technology characterized by intelligence is reshaping business logic, the testing industry is facing unprecedented development opportunities and challenges. The Company adheres to strategic focus, anchors its future direction, leverages organizational capabilities to cope with external market uncertainties, actively adapts to industry development trends, consolidates its operational foundation, refines management, and mitigates risks. It focuses on strategic investments and M&A to effectively drive growth, persists in innovation-led development, embraces new technologies to facilitate transformation and upgrading, comprehensively forges organizational capabilities, enhances collaborative combat capabilities, and unwaveringly advances its international development blueprint to enhance international competitiveness. The Company is committed to becoming the most internationalized Chinese TIC institution and the most market-savvy international TIC institution in China.

1. Strengthen strategic upgrading to drive growth engines

China’s economy has entered a stock market phase, and the dividends of the incremental market in the inspection and testing industry are waning. However, the underlying logic of industry demand remains robust. Faced with a complex, ever-changing, and uncertain market environment, the Company maintains a forward-looking vision and strategic focus, actively adapts to changes, and strives to transform uncertainties into growth opportunities for sustainable development. The Company has comprehensively elevated its strategic positioning and implemented the “123” strategy. By deeply analyzing market changes, insightfully perceiving development trends, balancing short-term profitability with long-term growth, it constructs a 3D growth engine. “1” (Stabilize): Steadily operate traditional market businesses, consolidate the Company’s strategic position in the industry, and strengthen brand competitive barriers. Leverage lean management and new technologies such as digitization and automation to continuously enhance human efficiency and operational efficiency, achieve steady improvements in profit margins, and ensure stable and abundant cash flows; “2” (Accelerate): Accelerate the layout of fast-growing market businesses, expand and strengthen projects that have already achieved scale, concentrate resources to actively invest in and layout a second growth curve, and make it the main driver of growth for business units; “3” (Innovate): Cultivate and incubate new market businesses, continuously innovate, actively explore new fields and technologies, and incubate new growth drivers. In the future, the Company will further strengthen its strategic deployment, allocate resources reasonably, and form an orderly echelon structure of “cash flow businesses + high-growth businesses + future reserve businesses”. It will elevate its key account service strategy, establish a group-level key account team, expand international key account resources, and enhance client satisfaction and loyalty through quality and differentiated services. The Company will proactively layout emerging fields), innovate service models tailored to cutting-edge fields such as AI, humanoid robots, the silver economy, and the low-altitude economy, align with dynamic market demands, shape future experiences, and build long-term sustainable growth momentum through multiple dimensions to enhance the Company’s ability to withstand cyclical fluctuations and risks.

2. Deepen lean management with digital-intelligent empowerment

As a pioneer and leader in the domestic third-party testing and certification services field, the Company has always regarded lean management as the core essence of high-quality development, deeply integrating it into the corporate value system. Driven by the twin engines of technological innovation and management refinement, the Company is steadily advancing towards a new stage of lean management with a forward-looking vision. Facing the surging tide of AI, the Company adopts an open and proactive stance, actively introducing cutting-edge intelligent technologies and deeply exploring their diverse application scenarios in business processes. Relying on the synergistic linkage of technological innovation and management optimization, the Company will continuously deepen lean management practices. By leveraging intelligent tool platforms, it will iteratively develop and deeply apply the latest AI technologies in potential opportunities across various business links, continuously optimize internal business processes, and steadily improve key metrics such as per capita output value, output efficiency per unit area, and return on investment per unit cost, achieving sustained operational efficiency improvements. In terms of human efficiency enhancement, the Company will continue to deepen and transition from a headcount-based strategy to a capability-based strategy, and then to a high-level efficiency-driven strategy, achieving leapfrogging upgrades and transformations. In the future, the Company will leverage the momentum of intelligent development to achieve precise cost control, enhance profit margins, further consolidate its cost leadership advantage in the industry, and lay a solid foundation for high-quality development.

3. Strategic “outward compatibility” to enhance global competitiveness

Amidst the rising tide of capital and M&A opportunities in the TIC industry, the Company anchors its long-term strategic goal of becoming a Chinese TIC institution with international competitiveness, fully implementing "strategic outward compatibility" initiatives, deeply focusing on the dual cores of strategy and empowerment, and comprehensively driving the internationalization development process. In recent years, through self-construction and strategic M&As, the Company has vigorously expanded its overseas service network layout, broadening the Group's overall service scope and global business footprint from multiple dimensions. It will continue to strengthen the global competitiveness of its businesses through strategic M&A and empowerment. In terms of M&A strategy optimization, the Company regards strategic goal alignment as the core consideration factor, establishing a rigorous pre-project initiation judgment and decision-making process to screen M&A targets and improve M&A efficiency. The Company actively expands channels for M&A targets, closely monitors M&A opportunities in domestic and international markets, particularly the high-quality resources released by global leading enterprises during business adjustments. Meanwhile, it pays attention to the opportunities brought about by the restructuring of state-owned enterprises and institutions. Combining the transformation needs of some business units, it targets M&A opportunities that align with the Company's strategic planning to achieve synergistic and efficient development. In terms of post-investment integration and empowerment deepening, the Company makes advance arrangements for finance, human resources departments, and relevant business units, establishes special teams, fully promotes cultural integration and business process reengineering, ensures synergistic operations of M&A targets in the short term, creates organic growth, and achieves a 1+1>2 synergistic effect. The Company has rapidly enhanced its internal management and team-building capabilities in recent years, laying a solid foundation for further expanding international businesses. Looking ahead, the Company will fully leverage its advantages, accelerate strategic M&As and post-investment empowerment, continuously increase its global market share, enhance its influence and voice in the international testing and inspection industry, and steadily advance towards its established goal of becoming a Chinese testing and inspection body with international competitiveness.

4. Cultivate talent development strategies to solidify organizational growth

In the context of the current stock economy era, when enterprises reach a certain scale and face complex and severe economic environment challenges, the importance of organizational capabilities becomes increasingly prominent. The essence of competition among enterprises lies in efficiency, ultimately boiling down to a contest of organizational capabilities, with talent echelon construction forming the key core of organizational capabilities. The Company has always attached great importance to talent capability development, continuously investing substantial resources and achieving remarkable results. The Company fully explores innovative talent development mechanisms, aggregates talent resources through continuous optimization of internal talent cultivation, based on corporate culture and a diversified assessment and incentive mechanism, and forms shared value orientations. Meanwhile, it promotes cross-departmental talent mobility, breaks down organizational structure barriers, cultivates a composite talent team, carries out comprehensive talent development projects to enhance talents' overall competencies, promotes the application of leadership competency model assessments to lead organizational leadership advancement, customizes talent projects for business units to unleash talent potential, and introduces and cultivates international talents to facilitate integration with the international market. Additionally, the Company strengthens inter-departmental collaboration, optimizes communication and coordination, and resource allocation mechanisms to ensure the smooth implementation of strategic planning. The Company comprehensively enhances its organizational capabilities, optimizes its organizational operational model, and elevates its management and operational structure, driving efficient development through leading organizational capabilities.

5. Adhere to brand management for long-term value creation

The Company adheres to the essence of business operations, focusing on reasonable costs, effective scale, and high-quality profitability as its core principles. It practices a business philosophy of simplicity, focus, and perseverance, persists in brand management, concentrates on long-term value creation, and ensures sustainable development. Enhancing capital return efficiency: By optimizing resource allocation, improving operational efficiency, and strengthening cost control, the Company comprehensively elevates its ROE (return on equity) and ROIC (return on invested capital), creating higher returns for shareholders. Improving shareholder return mechanisms: The Company formulates and implements diversified shareholder return plans, combining cash dividends with stock buybacks to effectively enhance shareholder returns. Meanwhile, it deepens investor relations management, boosts market confidence, and achieves mutual value enhancement for both the Company and its shareholders.

6. Improve ESG levels and create sustainable values

The Company steadily strengthens its risk resilience, enhances ESG and QSHE levels by continuously improving its ESG management framework and system, setting industry benchmarks, and thereby elevating its brand influence and reputation. Since its listing, the Company has been strategically positioning itself in the low-carbon and sustainable development sectors, offering professional ESG and "carbon peaking and carbon neutrality" services to enterprises. It helps clients identify environmental risks, effectively reduce their environmental impact, achieve green transformation, and embark on a greener and healthier path of sustainable development.

(II) Business plan for the next year

In 2025, the Company will continue to uphold the philosophy of "constant progress is essential; there is always room for improvement", with "refinement" as the key annual strategic focus. It will delve deeply into multiple fields and dimensions, deepen internal refined management, give full play to the guiding role of its core values, advocate long-termism and entrepreneurship, and support the sustainable development of its businesses.

1. Lean management: Intelligent empowerment for dual drivers of efficiency and quality

In 2025, the Group remains client-centric, with all staff deeply understanding, closely connecting with, and precisely serving clients. It continues to promote the implementation of a lean culture, inspires employee potential through the creation of lean laboratories, and comprehensively enhances process and personnel capabilities. Simultaneously, it actively explores the application of new technologies such as digitization, automation, and AI to improve laboratory efficiency. Leveraging intelligent means, the Group introduces intelligent sample management systems and automated testing equipment to achieve precise sample tracking and enhance testing efficiency. It establishes a stringent quality control system to ensure testing accuracy reaches internationally leading levels. The Group implements a "personnel-equipment-method" trinity standardization model in laboratory management, guided by client needs, deeply analyzes production processes, eliminates waste, improves processes, enhances personnel efficiency and cash flow management, empowers M&A enterprises, focuses on loss-making laboratories, and formulates turnaround plans. It strives to create an industry benchmark in "lean management", providing global clients with a "zero-error" service experience. In 2025, the Group will continue to deepen and complete a magnificent transformation from a headcount-based strategy to a capability-based strategy, and then to an efficiency-based strategy, achieving leapfrogging upgrades and transformations. Under different application scenarios, it flexibly sets measurement indicators such as per capita output value, output per unit area, and value return per unit cost investment, treating personnel efficiency improvement as a daily monitoring focus. It iteratively develops and applies the latest AI technologies in various possible opportunities.

2. "123 Strategy" leadership: Laying out emerging sectors to drive diversified growth engines

In 2025, all business units and product lines under the Company will comprehensively and deeply implement the "123 Strategy", using it as the core to actively layout future growth blueprints. "1" focuses on traditional advantageous businesses, maintaining a steady and robust operational stance. By introducing advanced lean management concepts and deeply integrating digitization and intelligent technologies, it comprehensively optimizes business processes, achieves significant improvements in operational efficiency, and solidifies the foundation of traditional businesses. "2" emphasizes new projects that have already reached a certain scale. The Company will increase resource allocation, providing comprehensive support in terms of capital investment, talent allocation, and R&D support, aiming to develop them into a strong second growth curve and driving breakthrough expansions in its businesses. "3" covers the incubation projects of various business unit product lines, actively engaging in new field explorations and closely tracking new technology trends. Through forward-looking layouts, it gradually incubates and grows these incubation projects into "2" type businesses, injecting continuous vitality into the Company's future development. Based on the clear differentiation of the "123 Strategy", the Company will implement precise and reasonable investment strategies according to the development characteristics and actual needs of different businesses, ensuring sustained and steady growth of endogenous businesses. In terms of emerging business expansion, it will deeply explore market demands in highly potential fields such as AI, humanoid robots, the silver economy, and the low-altitude economy, actively develop innovative services, and fully construct future-oriented growth curves.

In the realm of external M&A, the Company adopts a prudent yet proactive stance. It closely monitors strategic development directions and dynamic market changes, exploring a wide range of product lines and sectors to accurately identify potential M&A opportunities. Simultaneously, the Company strengthens its pre-project initiation judgment mechanism by introducing professional evaluation models and insights from industry experts, significantly enhancing the scientific rigor and efficiency of M&A decision-making. During the M&A integration phase, the Group establishes specialized teams dedicated to advancing cultural integration and process reengineering. By formulating detailed integration plans and synergy frameworks, it ensures that acquired entities can swiftly integrate into the Company's ecosystem within a short period, achieving synergistic operations and a 1+1>2 synergistic effect. This positions the Company as a high-quality platform capable of efficiently empowering the growth of acquired enterprises, making M&A integration a core competitive advantage.

In the field of international investment, the Company continues to deepen the internationalization of its shipping business. By optimizing its global supply chain layout and elevating product quality and service standards, it further solidifies its position in the international shipping market. Actively expanding its international client base in the consumer goods field, the Company conducts in-depth research on consumer characteristics and demand preferences across different regional markets, tailoring marketing strategies to enhance its brand's international influence. The Company also advances its strategic layout in Southeast Asia, leveraging local policy advantages, resource strengths, and market potential to cultivate global operational capabilities, accelerate its internationalization process, and drive leapfrog development of its businesses worldwide.

3. Talent strategy: Launching the "Talent Refinement Program" to ignite innovation vitality

Talent is the primary resource for enterprise development and a solid cornerstone for refining core competitiveness. In 2025, the Company will continue to deepen the application of its leadership competency model, establishing a comprehensive growth pathway covering onboarding training, skill certification, and cross-border job rotations. In its promotion mechanism, the Company breaks away from seniority constraints, allowing technical experts to ascend to senior positions directly based on outstanding project achievements, enabling talented individuals to stand out. The performance evaluation system incorporates client feedback dimensions, and high-performing employees are eligible for equity incentives, fully stimulating their enthusiasm and creativity. Furthermore, the Centre Testing International Group plans to introduce high-end international technical talent within the year, focusing on strengthening R&D capabilities in emerging fields such as artificial intelligence, comprehensive health, smart transportation, and carbon neutrality, continuously injecting innovative vitality into enterprise development.

4. Focus on returns: Practicing win-win collaboration and building long-term return mechanisms

The Company pays attention to the sustainable and reasonable return to investors, and shares the results of enterprise development with investors by gradually increasing cash dividends and optimizing the rhythm of dividends since listing. The Company insists on implementing cash dividends every year, with a cumulative dividend payout reaching CNY 910 million. It has successively launched three phases of share repurchase programs. The Phases 1 and 2 have been completed, with a cumulative repurchase of 8 million shares and a total transaction amount of CNY 135.0049 million. Phase 3 of the share repurchase program is progressing steadily. As of now, a cumulative repurchase of 1.7474 million shares has been made, with a total transaction amount of CNY 19.2141 million. Upon completion of the repurchase, the Company plans to use the aforementioned repurchased shares for Employee Share Ownership Plans or equity incentives to increase employee enthusiasm, improve the Company's performance, and allow investors to share the Company's development results. Looking ahead to 2025, the Company strives to enhance its performance, increase interim dividends in its dividend strategy, steadily raise cash dividends, further enrich shareholder returns, and continuously create value for investors.

In 2025, the Company will give full play to the leading role of its core values, advocate long-termism and entrepreneurship, and help the sustainable development of the Company's business. Through continuous improvement of QHSE management, the Company continues to refine the task of upgrading and improving ESG management, promote the Group's ESG work to a more standardized, international and distinctive direction, and comprehensively improve the Company's ESG level; Continuously improve the management of the Board of Directors, control internal management risks, achieve sound operation, coordinate the dynamic balance between performance growth and shareholder returns, implement the "long-term, stable and sustainable" shareholder value return mechanism, continue to improve the ability to return investors, and make unremitting efforts to achieve long-term high-quality win-win results for all stakeholders.

(III) Risks the Company may face

1. Risk of credibility and brand being affected by adverse events

Credibility and brand are the driving force for sustainable development and survival foundation for testing and certification institutions. Only if we are recognized by our clients in technology and fairness, can we gradually expand our market share and be in a favorable position in market competition. Once quality issues damage our credibility and brand, we may no longer be trusted, thus affecting our business expansion and profitability. In serious cases, even the testing and certification qualifications can be revoked, thus affecting our survival. The Company attaches great importance to maintenance of credibility and brand, actively advocates the integrity-based value, establishes a perfect quality control system to ensure the authenticity and accuracy of test reports issued, and continuously improves testing service quality. In accordance with the requirements of ISO/IEC 17025, ISO/IEC 17020 and Review Criteria for Qualifications of Testing Institutions, the Company has formulated the Measures for Group Quality Supervision and Management, Measures for Laboratory Quality Supervision and Management and Measures for Quality Professional Management to standardize the quality supervision of the Group, ensure that the testing/calibration activities carried out by the laboratories are in compliance with laws and regulations, China National Accreditation Service for Conformity Assessment (CNAS) and China Metrology Accreditation (CMA) guidelines and rules, so that quality risks can be relieved. The Company has established a hierarchical quality management organizational structure. At the group level, the QHSE department oversees quality control, while individual business divisions, subsidiaries, and operational branches develop and refine relevant systems based on their operational characteristics to strengthen quality management. The QHSE Department of the Group actively explores scientific and comprehensive quality management strategies. Through continuous quality management practices, research on management methods, development of technical talents, digital quality management, and quality management exchanges within the TIC industry, it strives to become a talented, efficient, and trusted benchmark team for QHSE management in the TIC industry.

"Integrity" is at the top of the Company's values, while "independence", "fairness" and "honesty" are essential requirements for business. The Company has established the Procedures for Ensuring Independence, Fairness and Honesty and Procedures for Fairness Management of Certification Activities to standardize the independence and fairness of all the Company's testing and adhere to independent, objective and true reporting of testing and calibration results without external influence. A fairness maintenance committee has been formed to regulate and supervise the fairness of certification services. The Fairness Maintenance Committee carries out supervision and review of certification business in accordance with the Operation Procedures of the Fairness Maintenance Management Committee. Through regular training, the Company continuously strengthens the certification personnel's familiarity with the certification system and educates them on professional ethics and codes of conduct. In the Employee Manual, the Company also clearly defines the penalties for soliciting or accepting bribes, kickbacks or illegal benefits.

The Company has developed the Integrity Manual in accordance with the United Nations Convention against Corruption and other International conventions and practices, integrity management technical guidelines of Transparency International, relevant national laws and regulations, and clients' integrity requirements, in which anti-corruption and anti-commercial bribery requirements in the Code of Business Conduct are supplemented and strengthened, and the construction of high-standard ethical operations is implemented to safeguard the brand concept and credibility value cherished by the Company from the perspective of system and technology.

2. Market and policy risks

The testing industry is an industry with strong policy orientation, and the government's development policies on the testing industry affect the development speed of the testing industry. With the development of the global testing industry, the overall trend of testing systems in various countries is consistent, that is, the government or industry associations conduct industry management on testing institutions through market access rules such as assessment and accreditation, commercialize the business of testing and conformity assessment, improve service quality, and promote industrial development. Each independent testing institution operates in a market-oriented manner according to the client's requirements and the services it provides, and the service fees are determined by negotiation between the two parties. China's testing industry has long been influenced by the planned economic system. Since joining the WTO, it has faced pressure from the international community to accelerate the opening of the service market. Against this background, the testing industry urgently needs industry guidelines that are consistent with international rules to regulate and constrain the industry's behavior. Although open market-oriented development has been confirmed by national policies and guidelines, there may still be local policies and regulations that are not conducive to the market-oriented development of the industry. There are still uncertainties in the government's openness to testing, which will bring a certain degree of risk to the Company.

In response to this risk, the Company has set up a special response department to pay close attention to the policy dynamics of relevant regulatory authorities, report regularly to the management, and proactively respond to possible policy risks.

3. Decision risks of M&A and integration risks after M&A

The testing and certification industry is characterized by fragmentation, spanning many industries, with each segmented industry relatively independent and difficult to replicate quickly. Using M&A to quickly enter new fields is a common practice among international testing and certification giants, and is also one of the Company's important strategies for long-term sustainable development in the future. The selection of M&A targets and post M&A integration are critical to the success of M&A and involve significant risks.

Abiding by the principle of prudence, the Company conducts detailed due diligence and sufficient feasibility studies, strategically selects suitable industries and high-quality targets at home and abroad, and conducts return on investment analysis in the early stages of M&A. By introducing talents with integration capabilities in the industry to coordinate management and operations, the Company continuously follows up on whether the investment is in line with the investment plan and expectations to achieve the effect of strengthening post-investment management. In response to the risks in M&A decisions, the Investment Department summarized the risks in the Company's historical investment and M&A transactions, concluded the key points of negotiation and the corresponding standard terms of equity agreements, compiled the *SPA Checklist* and the *Key Issues and Solutions in M&A Transactions*, and made supplementation and improvement on a regular basis. Under the *Articles of Association* and the *Working Rules of the Strategy and ESG Committee of Board of Directors*, major investment matters are managed and controlled by the Investment Committee to demonstrate the feasibility of the item; they are submitted to the Strategy and ESG Committee of Board of Directors, the Board of Directors, and the General Meeting of Shareholders for review based on their decision-making authority, improving the scientific nature and quality of the Company's major investment decisions. In response to the risks of post-investment management, the financial and human resources departments have prepared personnel reserves and added experts to the lean team to lay the foundation for the future output of lean management capabilities.

4. Risk of laboratory investment not meeting expectations

The Company has a first-mover advantage in the testing industry. In order to accelerate the layout of the national testing market, the Company has built a number of laboratories with international or domestic leading levels in recent years. Under the background of continuous innovation in new technologies and industries such as new energy, new materials, high-end equipment, artificial intelligence, and life and health, these advancements have brought both opportunities and challenges to the testing sector.. The Company has increased investment in the field of medicine and health, new material testing, semiconductor chip field, rail transit field, new energy vehicles and Internet of Vehicles and, positioning them as core medium-to-long-term growth drivers. The construction of a laboratory can only be officially put into operation after completing decoration, personnel recruitment, equipment purchasing and review, as well as obtaining qualifications. It takes a certain period of time to achieve a break-even point. If the production capacity of the newly built laboratory does not meet expectations, it may affect the Company's profits. In the future, the Company will focus on building new laboratories, improving the operational efficiency of new laboratories, gradually releasing production capacity, and gradually showing economies of scale, so as to achieve steady growth in the Company's income and profits.

The Company will conduct budget management and control over capital expenditures other than M&A, and conduct detailed return on investment analysis, evaluate the rationality and necessity of various investments, and reasonably control the investment pace.

## XII. Registration form for reception of research, communication, interviews and other activities during the reporting period

☑ Applicable □ Not applicable

| Reception time | Reception location | Reception mode | Reception object type | Reception object | Main content discussed and information provided | Basic information index of the research |
|---|---|---|---|---|---|---|
| January 18, 2024 | Company | Telephone communication | Institution | Institution investor | 2023 Annual Performance Forecast of the Company | Disclosed in the *Record Sheet of Investor Relations Activities of January 18, 2024 (No. 2024-001)* on www.cninfo.com.cn. |
| April 19, 2024 | Company | On-site research/telephone communication | Institution | Institution investor | 2023 Annual Performance and 2024 Q1 Performance Exchange | Record Sheet of Investor Relations Activities from April 19 to April 23, 2024 (No. 2024-002) disclosed on www.cninfo.com.cn |
| June 13, 2024 | Company | On-site research/telephone communication | Institution | Institution investor | Company status and future development plans | Record Sheet of Investor Relations Activities from June 13 to July 11, 2024 (No. 2024-003) disclosed on www.cninfo.com.cn |
| August 12, 2024 | Company | Telephone communication | Institution | Institution investor | Statement of results for half year of 2024 | Record Sheet of Investor Relations Activities from August 12 to August 14, 2024 (No. 2024-004) disclosed on www.cninfo.com.cn |
| August 19, 2024 | Company | On-site research/telephone communication | Institution | Institution investor | Company status and future development plans | Record Sheet of Investor Relations Activities from August 19 to September 27, 2024 (No. 2024-005) disclosed on www.cninfo.com.cn |
| October 25, 2024 | Company | Telephone communication | Institution | Institution investor | Statements of results for 3 quarters in 2024 | Disclosed in the Record Sheet of Investor Relations Activities of January 18, 2024 (No. 2024-001) on www.cninfo.com.cn. |
| October 10, 2024 | Company | On-site research/telephone | Institution | Institution investor | Company status and future development plans | Record Sheet of Investor Relations Activities from |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | communication | | | | October 10 to November 28, 2024 (No. 2024-007) disclosed on www.cninfo.com.cn |

## XIII. Formulation and implementation of market value management system and valuation enhancement plan

Has the Company formulated a market value management system?

☑ Yes □ No

Has the Company disclosed a valuation enhancement plan?

□ Yes ☑ No

On April 16, 2025, the 23rd Meeting of the 6th Board of Directors of CTI Testing & Certification Services Co., Ltd. approved the *CTI Testing & Certification Services Co., Ltd. Market Value Management System*.

## XIV. Implementation of the “Double Improvement of Quality and Return” action plan

Has the Company disclosed an announcement on the “double improvement of quality and return” action plan?

☑ Yes □ No

On February 5, 2024, the Company disclosed the *Announcement on the “Double Improvement of Quality and Return” Action Plan*, which aims to practice the spirit of the meeting of the Political Bureau of the Central Committee of the meeting of “to activate the capital market and boost investors’ confidence”, and the executive meeting of the State Council of “to vigorously improve the quality and investment value of listed companies, to take more effective measures, strive to stabilize the market, stabilize confidence” guiding ideology, safeguard the interests of all shareholders of the Company, enhance investors’ confidence, and promote the long-term healthy and sustainable development of the Company.

The main contents of the activity plan include five aspects of “investor-oriented, effectively promote share repurchases”, “focus on the main business, and deepen the testing industry”, “continuously improve innovation and R&D capabilities, and enhance core competitiveness”, “create a governance structure with transparency as the core”, and “focus on shareholder returns and adhere to information disclosure guided by investor needs”.

The specific measures outlined in the plan have been implemented. Regarding share repurchases, the Company has successively launched three phases of share repurchase programs. The Phase 1 was completed in 2023, with a cumulative repurchase of 3 million shares and a total transaction amount of CNY 63.5054 million. The Phase 2 was completed in 2024, with a cumulative repurchase of 5 million shares and a total transaction amount of CNY 71.4995 million. In July 2024, after review of the Board of Directors, the Company launched Phase 3 of the share repurchase program, proposing to repurchase 2-3 million shares of the Company’s stock through concentrated bidding transactions using its own funds. As of now, a cumulative repurchase of 1.7474 million shares has been made in Phase 3, with a total transaction amount of CNY 19.2141 million. This repurchase program has not yet been fully implemented.

In the context of “focusing on the core business and deeply cultivating the inspection and testing industry”, in 2024, amidst various challenges such as changes in the domestic and international economic landscape and adverse factors, the Company consistently adhered to its strategic resolve, leveraging managerial certainty to navigate external uncertainties. While solidifying and deepening the advantages of its existing businesses, the Company proactively seized market opportunities, prioritized high-quality sustainable growth, and intensified efforts in lean management to strengthen organizational capabilities. It fully promoted initiatives aimed at enhancing quality and efficiency, thereby continuously improving operational efficiency. During the reporting period, the Company achieved an operating revenue of CNY 6.084 billion, representing a year-on-year increase of 8.55%; a net profit attributable to shareholders of listed companies of CNY 921 million, representing a year-on-year increase of 1.19%; a net profit attributable to shareholders of listed companies after deducting non-recurring gains and losses of CNY 860 million, representing a year-on-year increase of 9.79%; and a comprehensive gross profit margin of 49.47%, representing a year-on-year increase of 1.41 percentage points.

In terms of “continuously enhancing innovation and R&D capabilities to strengthen core competitiveness”, the Company established a postdoctoral innovation practice base in 2018 to attract doctors from universities and research institutes to conduct the research, building a team of senior S&T talents and providing talent support for the Company to enhance its technological innovation competitiveness. In February 2023, the Company’s postdoctoral innovation practice base was upgraded to a sub-postdoctoral workstation of the enterprise. As of now, the sub-postdoctoral workstation has recruited 10 postdoctoral fellows, who are engaged in research in fields such as non-destructive testing and rapid testing instruments.

The Company invests 8%–10% of its annual revenue in innovation and R&D for the R&D and incubation of new projects. During the reporting period, the Company’s R&D investment reached CNY 529 million, representing a year-on-year increase of 11.99%, with R&D investment accounting for 8.70% of its revenue. Through continuous innovation investment and technological breakthroughs, the Company actively enhances its technological strength and service capabilities, promoting high-quality and sustainable development in the industry. In 2024, the Company’s main innovation achievements are as follows: (1) Established an R&D team for optical precision instruments, successfully developed customized testing equipment to meet the Company’s new testing business needs, and improved the flexibility and efficiency of testing services; (2) The objective of this project is to develop an electrochemical rapid test method, further enriching the Company’s rapid test technology reserves and expected to provide more efficient services to clients; (3) Developed AI-based data analysis technology, significantly improving the efficiency and accuracy of testing data analysis and providing strong support for data-driven decision-making; (4) The objective of this project is to develop an intelligent shrinkage rate testing system for textiles, which has been delivered to laboratories for trial use, bringing innovative solutions to the field of textile testing; (5) The objective of this project is to develop an automatic generation system for comprehensive marine reports, which has been delivered to laboratories for use, realizing one-click report generation and significantly improving work efficiency.

As a pioneer in promoting high-quality development, the Company has been actively participating in the formulation and revision of various standards for many years, taking the lead in implementing high-quality development strategies. The Company interfaces with the work of 56 international/national standardization technical committees/subcommittees, participates in the formulation and revision of international, national, and industry standards, holds numerous expert positions, and has two vice chairmen and over 20 members serving on national standardization technical committees/subcommittees. Additionally, it has organized 2 ISO/IEC panels cumulatively and has trained 2 ISO/IEC panel convenors and 10 ISO/IEC panel registered experts. During the reporting period, the Company added one new registered expert to the ISO/IEC panels. The Company actively participates in the standardization activities of international organizations such as the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the Institute of Electrical and Electronics Engineers (IEEE). It attended 10+ meetings, including plenary sessions, panel discussions, technical forums, and seminars, actively engaging in the activities of multiple international standard technical organizations. As the convening unit of the ISO/TC34/SC6/WG28 panel on the determination of pesticide and veterinary drug residues, the Company hosted the first panel meeting. One new international standard was added under its purview, bringing the cumulative total to four. To support the long-term, sustained, and effective development of international standardization work, the Company organized the preparatory meeting for the ISO/TC34/SC6 plenary session and an international standard seminar in the field of meat, poultry, eggs, and fish, actively contributing its technical expertise to international standardization activities. During the reporting period, the Company released 57 new standards, including 3 international standards, 36 national standards, and 10 industry standards, among which 1 was a mandatory national standard. As of the end of the reporting period, the Centre Testing International Group had participated in the formulation and revision of 760 standards, with 690 standards already published, including 14 international standards, 449 national standards, and 203 industry standards, among which 22 were mandatory national standards.

Starting from its actual inspection and testing business, the Company focuses on the research, development, and improvement of new test methods, as well as the innovative design of new devices. It deeply integrates intellectual property protection with actual business needs to promote the transformation and application of technological achievements. During the reporting period, the Group authorized 51 new patents, including 13 invention patents and 38 utility model patents. By the end of the reporting period, 405 patents had been authorized, including 89 invention patents and 316 utility model patents.

During the reporting period, the Company was awarded the second prize of the “S&T Progress Award” of the 2024 “Mechanical Industry S&T Award” jointly presented by the China Machinery Industry Federation and the Chinese Mechanical Engineering Society. It also received the “Third Prize of the S&T Award in the Packaging Industry” from the China Packaging Federation, the “Third Prize of the Guangdong Provincial Standardization Outstanding Contribution Award - Standard Project Award” from the Guangdong Provincial Market Supervision Administration, and the honorary title of “Advanced Unit in Standardization Work in China’s Cultural, Educational, and Sports Goods Industry” from the China Cultural, Educational, and Sports Goods Association.

Regarding “emphasizing shareholder returns and adhering to investor-oriented information disclosure”, the Company implemented the 2023 equity distribution plan, distributing a cash dividend of CNY 1.00 (tax-inclusive) per 10 shares to all shareholders based on its existing total share capital, excluding 8,000,000 repurchased shares, totaling 1,674,828,214 shares. This represents a 66.67% increase in dividend per share compared to the previous year. In terms of information disclosure, the Company strictly complies with regulations such as the *Measures for the Administration of Information Disclosure by Listed Companies* and the *Growth Enterprise Market Listing Rules of the Shenzhen Stock Exchange* to fulfill its information disclosure obligations, ensuring timely, accurate, legal, true, and complete information disclosure. It enhances the quality of information disclosure, guarantees transparency in corporate governance, and protects the fundamental rights and interests of investors. In 2023, the Company provided detailed disclosures on significant matters such as periodic reports, employee share ownership plans, and external guarantees, promptly and accurately conveying the progress of its important businesses to investors, thereby facilitating a deeper understanding of the Company. The Company’s information disclosure efforts have been recognized by the Shenzhen Stock Exchange, receiving an A rating in the 2023 annual information disclosure assessment.

In the future, the Company will continue to adhere to the investor-oriented, according to the characteristics of the industry and its own actual situation, actively fulfill its social responsibility, improve the level of shareholder returns, share the fruits of its development with the majority of shareholders and win-win in the future, and implement the “double improvement of quality and return” action plan in place, so as to contribute to the stabilization of the market and the stabilization of confidence.

# Section 4 Company Governance

## 1. Basic situation of company governance

(I) Shareholders and General Meeting of Shareholders

The Company convenes and holds the General Meeting of Shareholders in a standardized manner in strict accordance with the *Rules for General Meetings of Shareholders of the Listed Company*, the *Articles of Association*, the *Rules of Procedure for General Meetings of Shareholders* and the provisions and requirements of the GEM Board of the Shenzhen Stock Exchange, treats all shareholders on an equal footing and, as far as possible, facilitates the participation of shareholders in general meetings so as to enable them to fully exercise their rights as shareholders. During the reporting period, all shareholders' meetings held by the Company were convened by the Company's Board of Directors, and witness lawyers were invited to conduct on-site witnessing and issue legal opinions on the convening and voting procedures of the General Meeting of Shareholders. At the General Meeting of Shareholders, each shareholder can be guaranteed to have sufficient voice, ensuring that all shareholders, especially small and medium-sized shareholders, enjoy equal status and fully exercise their rights. During the reporting period, the General Meeting of Shareholders held by the Company did not violate the *Rules for General Meeting of Shareholders of the Listed Company*. No shareholders who individually or jointly held more than 10% of the total number of voting shares of the Company requested to hold an extraordinary General Meeting of Shareholders, and there was no General Meeting of Shareholders convened at the proposal of Board of Supervisors.

(II) The Company and the holding shareholder

The holding shareholders of the Company strictly regulate their own behavior and do not go beyond the General Meeting Of Shareholders to directly or indirectly intervene in its decision-making and business activities. The Company has independent and complete business and independent management ability, and is independent of holding shareholders in business, personnel, assets, institutions and finance. The Board of Directors, Board of Supervisors and internal institutions operate independently. During the reporting period, the holding shareholders of the Company regulated their own behaviors in strict accordance with the provisions and requirements of the *Code of Governance for the Listed Company*, the *Rules for Listing of Shares on the Growth Enterprise Market of Shenzhen Stock Exchange*, the *Shenzhen Stock Exchange's Self-disciplinary Supervision Guideline for Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market*, *Articles of Association* and other regulations and requirements and did not go beyond the Company's General Meeting of Shareholders has not directly or indirectly interfered in its decision-making and operating activities, has not jeopardized its interests and other shareholders, there is no occupation from holding shareholders on Company's funds, and the Company has never provided guarantees for holding shareholders.

(III) Directors and Board of Directors

The Company's Board of Directors consists of 7 directors, including 4 non-independent directors. The number and composition of Board of Directors comply with the requirements of laws, regulations and the Company's Articles of Association. Directors were able to carry out their work in accordance with the *Rules of Procedure of Board of Directors*, the *Working System of Independent Directors* and *Shenzhen Stock Exchange*, *Shenzhen Stock Exchange's Self-disciplinary Supervision Guideline for Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market*, attended the Board of Directors, the Specialized Committees of Board of Directors and General Meeting of Shareholders, and diligently fulfilled their duties and obligations, and at the same time, actively participating in relevant exchanges and studies to familiarize ourselves with relevant laws and regulations.

In accordance with the requirements of the Shenzhen Stock Exchange's Self-disciplinary Supervision Guideline for Listed Companies No. 2 - Standardized Operation of Listed Companies on the Growth Enterprise Market, the Company has set up three special committees under the Board of Directors, namely, the Compensation Assessment and Nomination Committee, Audit Committee and Strategy and ESG Committee, and the members of the special committees are all composed of directors. The members of Audit Committee are directors who are not executives members of the Company, including more than half of the independent directors, and accounting professionals among the independent directors serve as conveners. The Compensation Assessment and Nomination Committee has more than half of its members as independent directors and an independent director serves as convener. The Strategy and M&A Committee is composed of more than half of external directors, providing scientific and professional opinions and references for the decision-making of Board of Directors. Each Committee should perform its duties in accordance with the *Articles of Association* and the rules of procedure of each Committee, without interference from any other department or individual of the Company. During the reporting period, the Company's directors improved their abilities to perform their duties as directors by studying and becoming familiar with relevant laws and regulations.

(IV) Supervisors and Board of Supervisors

The Company's Board of Supervisors consists of three supervisors, one of whom is an employee representative supervisor. The number and composition of Board of Supervisors meet the requirements of laws and regulations. All supervisors can conscientiously perform their duties in accordance with the requirements of the *Articles of Association*, *Rules of Procedure of Board of Supervisors* and other provisions, and supervise the legality and compliance of the Company's major matters, financial status, and the performance of duties by directors and executives.

(V) Performance evaluation and incentive and restraint mechanisms

The Company has established an enterprise performance evaluation and incentive system, where the operator's income is linked to the Company's operating performance, and the appointment of executives is open, transparent and in compliance with laws and regulations.

(VI) Information disclosure and transparency

The Company strictly complies with the relevant laws and regulations and the requirements of *Information Disclosure System* and *Management System of Investor Relations* to truly, accurately, timely, fairly and completely disclose relevant information; and designates the secretary of the Company's Board of Directors to be responsible for information disclosure and coordinate the Company and Investor relations, receive visits from shareholders, answer investor inquiries, and provide investors with company-disclosed information; and designate *Securities Times*, *Shanghai Securities News* and GEM information disclosure website designated by the CSRC for the designated newspapers and websites of its information disclosure, so as to ensure that all shareholders of the Company have equal access to information. During the reporting period, the Company did not provide undisclosed information to major shareholders or actual controller. During the reporting period, the Company updated a series of systems such as the *Articles of Association*, *Working System of Independent Directors*, the *Working Rules of the Audit Committee of Board of Directors* and Working Rules of the Compensation Assessment and Nomination Committee of Board of Directors in accordance with the relevant provisions of the *Administrative Measures for Independent Directors of the Listed Company* and in the light of the actual situation of the Company.

(VII) Stakeholders

The Company fully respects and safeguards the legitimate rights and interests of relevant stakeholders, achieves coordination and balance of the interests of shareholders, employees, society and other parties, and jointly promotes the Company's sustainable and healthy development.

(VIII) Establishment and operation of the Company's internal control system for financial statements

The Company has established a relatively complete internal control system in accordance with the requirements of the *Basic Standards for Enterprise Internal Control*, which can adapt to its management needs. All internal control systems have been effectively implemented to achieve the purpose of controlling and preventing risks in operation and management, protecting the legitimate rights and interests of investors, and promoting the healthy and stable development of the Company, and no significant deficiencies in internal control have been found.

Whether there are significant differences between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the CSRC on the governance of the listed company

□ Yes ☑ No

There are no significant differences between the actual state of corporate governance and the laws, administrative regulations and the regulations issued by the CSRC on the governance of the listed company.

## II. Independence of the Company from holding shareholders and actual controller in ensuring the Company’s assets, personnel, finance, institution and business

(I) Business independence

The Company has an independent and complete business system of R&D, supply, production and sales, and has the ability to directly face the market and operate independently, and there is no other need to rely on the holding shareholders, actual controller and other enterprises under their control to carry out production and operation activities.

(II) Asset integrity

The Company has independent and complete supporting facilities and fixed assets for purchasing, production and sales. The Company has complete control over all assets, and there is no situation where assets or funds are occupied by holding shareholders to the detriment of its interests.

(III) Personnel independence

The Company has a human resources management department and its personnel and compensation management is completely independent and separate from the shareholders. The directors, supervisors and executives of the Company are appointed in strict accordance with the relevant provisions of the *Company Law* and the *Articles of Association*, and there is no part-time job prohibited by relevant laws and regulations.

(IV) Institutional independence

The Company has independent production, operation and office institutions, which are completely independent of the holding shareholder and actual controller. There is no mixed operation or co-location. Neither the holding shareholder nor any other unit or individual interferes with the Company’s organizational setup and production and operation. Activity.

(V) Financial independence

The Company has an independent financial department to be responsible for its accounting and financial management. The Company’s Chief Financial Officer and financial employees all work full-time in the Company and receive compensation, and do not work for companies with the same or similar business as the Company, or other companies with conflicts of interest.

## III. Horizontal competition

□ Applicable ☑ Not applicable

# IV. Relevant information on the annual General Meeting of Shareholders and extraordinary General Meeting of Shareholders held during the reporting period

## 1. General Meeting of Shareholders during the reporting period

| Session | Type | Investor participation proportion | Held on | Disclosed on | Resolution |
|---|---|---|---|---|---|
| First Extraordinary General Meeting of Shareholders in 2024 | Extraordinary General Meeting of Shareholders | 46.14% | March 8, 2024 | March 9, 2024 | *Announcement on the Resolution of the First Extraordinary General Meeting of Shareholders in 2024* disclosed by the Company on www.cninfo.com.cn. |
| Annual General Meeting of Shareholders in 2023 | Annual General Meeting of Shareholders | 43.11% | May 10, 2024 | May 11, 2024 | *Announcement on the Resolution of Annual General Meeting of Shareholders in 2023* disclosed by the Company on www.cninfo.com.cn. |

## 2. Preference shareholders whose voting rights have been restored request to convene an extraordinary General Meeting of Shareholders

□ Applicable ☑ Not applicable

# V. Arrangements in which the Company has differences in voting rights

□ Applicable ☑ Not applicable

# VI. Governance of red chip structured company

□ Applicable ☑ Not applicable

# VII. Directors, supervisors and executives

## 1. Basic information

| Name | Gender | Age | Position | Job status | Start date of term | End date of term | Number of shares held at the beginning of the period (shares) | Number of shares increased in the current period (shares) | Number of shares decreased in the current period (shares) | Other change (shares) | Number of shares held at the end of the period (shares) | Reasons for share change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Wan Feng | Male | 55 | Chairman | Current | August 25, 2007 | | 251,335,874 | | | | 251,335,874 | |
| Shentu Xianzhong | Male | 56 | Director and President | Current | June 4, 2018 | | 9,350,000 | | | | 9,350,000 | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Qian Feng | Male | 51 | Director | Current | December 30, 2022 | | 2,132,128 | | | | 2,132,128 | |
| Qian Feng | Male | 51 | Vice President | Current | August 25, 2007 | | | | | | | |
| Qi Guancheng | Male | 58 | Director | Current | October 16, 2023 | | | | | | | |
| Cheng Haijin | Male | 53 | Independent director | Current | September 7, 2020 | | | | | | | |
| Zeng Fanli | Male | 60 | Independent director | Current | December 2, 2019 | | | | | | | |
| Liu Zhiquan | Male | 54 | Independent director | Current | September 21, 2022 | | | | | | | |
| Li Fengyong | Male | 52 | Vice President | Current | August 22, 2016 | | 703,200 | | | | 703,200 | |
| Xujiang | Male | 50 | Vice President | Current | May 28, 2010 | | 525,000 | | | | 525,000 | |
| Zeng Xiaohu | Male | 50 | Vice President | Current | April 24, 2019 | | 695,000 | | | | 695,000 | |
| Zhou Lu | Male | 51 | Vice President | Current | August 27, 2013 | | 848,000 | | | | 848,000 | |
| Wang Hao | Female | 49 | Vice President and Chief Financial Officer | Current | August 22, 2016 | | 380,000 | | | | 380,000 | |
| Jiang Hua | Female | 48 | Vice President, Secretary of Board of Directors | Current | January 13, 2023 | | | | | | | |
| Chen Weiming | Male | 52 | Supervisor | Current | August 12, 2016 | | | | | | | |
| Zhang Yumin | Male | 50 | Supervisor | Current | August 12, 2016 | | | | | | | |
| Du Xuezhi | Male | 43 | Supervisor | Current | December 30, 2022 | | | | | | | |
| Total | -- | -- | -- | -- | -- | -- | 265,969,202 | | | | 265,969,202 | -- |

During the reporting period, whether there was any resigning of directors and supervisors and dismissal of executives during the tenure

□ Yes ☑ No

Changes in directors, supervisors and executives of the Company

□ Applicable ☑ Not applicable

## 2. Employment

Professional background, main work experience and main responsibilities of current directors, supervisors and executives of the Company

1. Directors

(1) Mr. Wan Feng, a Chinese national with no right of permanent residence outside China, was born in 1969, with a master’s degree, a senior management consultant and a registered chief auditor of IRCA in the UK. He participated in the preparation of CTI in 2003 and served as Vice President since July 2004; Chairman of Board of Directors since August 2007; re-elected in August 2010, August 2013, August 2016, December 2019 and January 2023.

(2) Mr. Shentu Xianzhong, a Chinese national with no right of permanent residence outside China, was born in 1968 and with a doctor's degree. He once served as the Global Executive Vice President of SGS Group, responsible for global consumer goods testing services, president of SGS China, and Vice Presidents of SGS global consumer goods testing and industrial services. He once served as the Director of SGS-CSTC Standards Technical Services Co., Ltd. and Bluesign Technologies ag in Switzerland. Chairman of Board of Directors and many other board positions. He joined the Company in June 2018 and is currently the President and Director of the Company.

(3) Mr. Qian Feng, Hong Kong, China, born in 1973, with a master's degree. He once worked in the Shenzhen Maritime Safety Administration and served as a clerk, deputy chief clerk, chief clerk and deputy director. He joined CTI in 2006 and served as vice president since 2007. He has been a director of the Company since December 30, 2022. He has been appointed CEO of the Company since January 13, 2023.

(4) Mr. Qi Guancheng, Hong Kong, China, born in 1966, with a master's degree. Mr. Qi Guancheng has been engaged in the verification and testing industry for more than 30 years. He has served as a member of the SGS Group Management Committee for 17 years. He has served as the Chief Operating Officer of the SGS Group, responsible for Hong Kong, North American Consumer Products and Northeast Asia; President of SGS China and SGS Hong Kong, and Vice President of SGS Global Consumer Products Testing and Industrial Services Group. He has served as the Director of General Standards Technical Services Co, Ltd, SGS Hong Kong, Taiwan, South Korea, Japan and Vietnam. Mr. Qi Guancheng founded Ruiheng Online Investment Co., Ltd. in 2022, which is mainly engaged in M&A and the provision of management consultancy services in the TIC industry, and has been a director of the Company since October 16, 2023.

(5) Mr. Cheng Haijin, a Chinese national, born in 1971, with an MBA from Cornell University. He has served as director of Business Development and M&A at General Electric and Honeywell, and has also worked in the Investment Banking Department of Banque Nationale de Paris, Bank of China (Hong Kong), Pfizer/Pharmacia Pharmaceuticals, and Chia Tai Group. He is currently the President of Shanghai Liansheng Technology Service Co., Ltd. Mr. Cheng Haijin has extensive domestic and international experience in equity M&A, strategic investments, mixed-ownership reforms, distressed acquisition restructuring, post-investment management, cross-border operations, internal audit and risk control in different countries and industries. He has served as an independent director of the Company since September 7, 2020.

(6) Mr. Zeng Fanli, a Chinese national, born in 1964, with a bachelor's degree in Agriculture and a master's degree in World Economics. From 1986 to 1999, he successively served as a section member of Shenzhen Commodity Inspection Bureau, Deputy Department Head, Deputy Director, Director and Party Secretary of Wenjindu Port, Director and Party Secretary of the Certification Department of Shenzhen Commodity Inspection Bureau, 1999-2001 Director and Party Secretary of the Food Inspection Department of Shenzhen Inspection and Quarantine Bureau; 2001-2004, Director and Party Secretary of Shenzhen Inspection Bureau. 2004-2010, Director and Party Secretary of the Party Leadership Group (Deputy Department) of Shekou Inspection Bureau; 2010-2013, Director and Party Secretary of the Party Group of Huanggang Inspection Bureau (Deputy Department); 2013-2015, Deputy Director (Deputy Department) and member of the Party Leadership Group of Shenzhen Inspection Bureau; August 2015-2019, Group Vice President, Group Party Secretary and President of Food cold Chain Platform of Shenzhen Eternal Asia Supply Chain Co., Ltd, as well as Vice President of Shenzhen Customs Declaration Association, Vice President of Shenzhen Financial Chamber of Commerce, and Founding President of Shenzhen Food Ingredients Industry Association. March 2019 to date, he has served as President of Nanhai Shenghui New Energy (Guangdong) Co., Ltd. and Shenzhen Yuehai Shenghui International Trade Co., Ltd. He has served as an independent director of the Company since December 2, 2019.

(7) Mr. Liu Zhiquan, a Chinese national, born in 1970, with no right of permanent residence outside China, with a D.E. He studied abroad after getting PhD in 2000 and returned to China as an overseas scholar at the end of 2006. From December 2006 to March 2019, he served as a researcher and innovation project leader at the Institute of Metal Research, Chinese Academy of Sciences, as well as a doctoral supervisor at the University of Chinese Academy of Sciences and the University of Science and

Technology of China. From March 2019 to April 2025, he was a researcher, project leader, and doctoral supervisor at the Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences. Since April 2025, he has been a professor and doctoral supervisor at the Southern University of Science and Technology. He has long been engaged in research related to the characterization and preparation applications of performance-oriented material microstructures, with a particular focus on the synthesis and microstructural properties of metal interconnect materials, the service reliability of packaging materials and structures, and the development of semiconductor packaging process technologies. He has served as an independent director of the Company since September 21, 2022.

2. Supervisor

(1) Mr. Chen Weiming, a Chinese national, with no right of residence outside China, born in 1972, with a MBA, formerly Deputy General Manager of the Retail Banking Department of China Bohai Bank Co., Ltd. Shenzhen Branch, currently Chairman of Shenzhen Sijiganquan Food and Beverage Co., Ltd. He has been a supervisor of the Company since December 2019.

(2) Mr. Du Xuezhi, a Chinese national, with no right of residence outside China, born in 1981, with a bachelor's degree, worked in the Internal Audit Department and the Supervision Department of Nine Dragons Paper (Holdings) Limited and JDB (China) Beverages Co, Ltd, responsible for internal audit and supervision. He joined the Company in May 2017 and currently serves as the manager of the Company's Internal Audit Department.

(3) Mr. Zhang Yumin, a Chinese national, with no permanent residence outside China, born in 1974, with a college degree. He graduated from Jinan University with a degree in accounting, joined the Company in 2006, and has served as the Company's supervisor since July 2016.

3. Executive

(1) Mr. Shentu Xianzhong is currently the President of the Company. Please refer to the "Directors" section for his resume.

(3) Mr. Qian Feng is currently the Vice President of the Company. Please refer to the "Directors" section for his resume.

(4) Mr. Xu Jiang, a Chinese national, with no right of permanent residence outside China, born in 1974, with a master's degree. From 1998 to 2001, he worked at Huawei Technologies Co Ltd. From 2001 to 2010, he worked at Emerson Network Power, Inc. He joined the Company as Vice President from May 28, 2010.

(5) Mr. Zhou Lu, a Chinese national, with no right of permanent residence outside China, born in 1973, with a master's degree, senior engineer. He has worked for the Norwegian Classification Society, and has served as the Director of Climate Change Service Operations for Greater China, Director of Energy Efficiency Product Development and Operations for Greater China, and Manager of the Beijing Branch. He joined the Company in November 2010 and served as Director of Certification Development Department. He has served as the Company's Vice President since August 2013.

(6) Mr. Li Fengyong, a Chinese national, with no right of permanent residence outside China, born in 1972, with a master's degree. He used to work as Business Manager of Foreign Trade Corporation of Huimin County, Binzhou and Marketing Manager of Qingdao Ainuo Intelligent Instrument Co., Ltd. He joined the Company in 2008 and served as general manager of the food and drug business department and general manager of Qingdao CTI Technology Co., Ltd. He is currently the Company's Vice President.

(7) Ms. Wang Hao, a Chinese national, with no right of residence outside China, born in 1975, with a master's degree, a certified public accountant in the United States, a senior financial manager with years of work experience in China and the United States. From 2006 to 2015, she worked at Free borders Software Development Co., LTD., where she served as Finance Manager, Finance Director and Vice President of Finance for Asia Pacific. She also worked at China Resources Coatings Group and an American accounting firm. She joined the Company in April 2016 and is currently the Company's Vice President.

(8) Mr. Zeng Xiaohu, a Chinese national, with no right of permanent residence outside China, born in 1974, with a master's degree. He has served in various management positions including General Manager of SGS China Industrial, Transportation and

Fire Technology Business Group and Head of SGS Northeast Asia Transportation Services, General Manager of SGS China Consumer Products Testing Business Group, and Vice President of SGS Global Light Industrial Products Business. She joined the Company in January 2019 and is currently the Company's Vice President.

(9) Ms. Jiang Hua, a Chinese national, with no right of permanent residence outside China, born in 1976, with a master's degree, member of the 6th and 7th CPPCC Shenzhen Municipal Committee. She has served as Deputy General Manager of Shenzhen Cultural Expo Company of Shenzhen Press Group and Director of China Cultural Industry Network, Deputy General Manager of Economic Herald of Shenzhen Press Group and Deputy Director of Internal Management Committee of Hong Kong Commercial Daily, Director of Government Affairs and Public Relations of Shenzhen Carbon Cloud Intelligence Co., Ltd., Vice President and Director of the Office of Board of Directors and Director of the Secretary's office of Shenzhen Jinyi Technology Co., Ltd.; General Manager of the Government and Public Utilities Department (Shenzhen) of Sangda Co, Ltd, and Senior Vice President of Dotwell Culture. She joined the Company in January 2023 and currently serves as Vice President and Secretary of Board of Directors.

Positions held in shareholders' units

□ Applicable ☑ Not applicable

Positions in other units

☑ Applicable □ Not applicable

| Name of the employee | Other unit names | Positions held in other units | Start date of term | End date of term | Whether to receive compensation or allowances from other units? |
|---|---|---|---|---|---|
| Wan Feng | Shenzhen Gangliyuan Investment Co., Ltd. | Executive Director | | | |
| Wan Feng | Beijing Tianrui Junfeng Investment Management Co., Ltd. | Supervisor | | | |
| Wan Feng | Shenzhen Qianhai Gangli No. 1 Investment Partnership (Limited Partnership) | Executive Partner | | | |
| Zeng Fanli | Shenzhen Dafusheng Trading Co., Ltd. | Executive Director and General Manager | | | |
| Zeng Fanli | Nanhai Shenghui New Energy (Guangdong) Co., Ltd. | General Manager | | | |
| Zeng Fanli | Shenzhen Yuehai Shenghui International Trade Co., Ltd. | Executive Director and General Manager | | | |
| Zeng Fanli | Baijiahui (Shenzhen) International Trading Co., Ltd. | Executive Director | | | |
| Zeng Fanli | Zhongrong Xiaoshan Cultural Development Co., Ltd. | Executive Director | | | |
| Cheng Haijin | Shanghai Liansheng Technical Service Co., Ltd. | Executive Director | | | |
| Cheng Haijin | Nanjing Tuniu Technology Co., Ltd. | Independent director | | | |
| Chen Weiming | Shenzhen Siji Ganquan Food and Beverage Co., Ltd. | Chairman | | | |
| Qi Guancheng | Ruiheng Online Investment Co., Ltd. | Executive Director | | | |
| Description of employment in other units | None | | | | |

Punishment on the current and resigned directors, supervisors and executives of the Company in the past three years by securities regulators

□ Applicable ☑ Not applicable

## 3. Compensation of directors, supervisors and executives

Decision-making procedure, determination basis and actual payment of compensation for directors, supervisors and executives

1. Decision-making procedure

The compensations of the Company's directors and supervisors are determined by the General Meeting of Shareholders, and the compensation of executives is determined by the Board of Directors; the compensations of directors, supervisors and executives who assume positions in the Company are paid by the Company; The independent director allowance is paid in accordance with the resolution of the General Meeting of Shareholders, and the independent director meeting and training expenses are fully accounted for.

2. Determination basis

According to the Company's profit level and the division of labor and performance of directors, supervisors and executives.

3. Actual payment

During the reporting period, the Company had 16 directors, supervisors and executives totally. In 2024, the Company actually paid a total of CNY 17.9158 million in compensation to those personnel.

Compensation of directors, supervisors and executives during the reporting period

Unit: CNY 10,000

| Name | Gender | Age | Position | Job status | Total compensation before tax received from the Company | Whether to receive compensation from the Company's related parties |
|---|---|---|---|---|---|---|
| Wan Feng | Male | 55 | Chairman | Current | 76.01 | No |
| Shentu Xianzhong | Male | 56 | Director and President | Current | 575.14 | No |
| Qian Feng | Male | 51 | Director and Vice President | Current | 398.1 | No |
| Qi Guancheng | Male | 58 | Director | Current | 13 | No |
| Zeng Fanli | Male | 60 | Independent director | Current | 14 | No |
| Cheng Haijin | Male | 53 | Independent director | Current | 16 | No |
| Liu Zhiquan | Male | 54 | Independent director | Current | 13 | No |
| Chen Weiming | Male | 52 | Supervisor | Current | 0 | No |
| Du Xuezhi | Male | 43 | Supervisor | Current | 33.87 | No |
| Zhang Yumin | Male | 50 | Supervisor | Current | 16.16 | No |
| Zhou Lu | Male | 51 | Vice President | Current | 98.71 | No |
| Xujiang | Male | 50 | Vice President | Current | 129.97 | No |
| Wang Hao | Female | 49 | Vice President and Chief Financial Officer | Current | 110.66 | No |
| Li Fengyong | Male | 51 | Vice President | Current | 114.76 | No |
| Zeng Xiaohu | Male | 49 | Vice President | Current | 106.78 | No |
| Jiang Hua | Female | 47 | Vice President, Secretary of Board of Directors | Current | 75.42 | No |

| Total | -- | -- | -- | -- | 1,791.58 | -- |
|---|---|---|---|---|---|---|

Other descriptions

□ Applicable ☑ Not applicable

## VIII. Directors' performance of duties during the reporting period

### 1. Board of Directors during the reporting period

| Session | Held on | Disclosed on | Resolution |
|---|---|---|---|
| 12th Meeting of the 6th Board of Directors | February 21, 2024 | February 22, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 12th Meeting of the 6th Board of Directors (No.: 2024-005) |
| 13th Meeting of the 6th Board of Directors | March 4, 2024 | March 5, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 13th Meeting of the 6th Board of Directors (No.: 2024-009) |
| 14th Meeting of the 6th Board of Directors | April 1, 2024 | April 2, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 14th Meeting of the 6th Board of Directors (No.: 2024-012) |
| 15th Meeting of the 6th Board of Directors | April 17, 2024 | April 19, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 15th Meeting of the 6th Board of Directors (No.: 2024-016) |
| 16th Meeting of the 6th Board of Directors | July 2, 2024 | July 3, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 16th Meeting of the 6th Board of Directors (No.: 2024-034) |
| 17th Meeting of the 6th Board of Directors | August 9, 2024 | August 12, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 17th Meeting of the 6th Board of Directors (No.: 2024-041) |
| 18th Meeting of the 6th Board of Directors | October 24, 2024 | October 25, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 18th Meeting of the 6th Board of Directors (No.: 2024-048) |
| 19th Meeting of the 6th Board of Directors | November 25, 2024 | November 26, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 19th Meeting of the 6th Board of Directors (No.: 2024-053) |
| 20th Meeting of the 6th Board of Directors | December 16, 2024 | December 17, 2024 | www.cninfo.com.cn: Announcement on Resolution of the 20th Meeting of the 6th Board of Directors (No.: 2024-059) |

### 2. Directors' attendance in Board of Directors and General Meeting of Shareholders

| Directors' attendance in Board of Directors and General Meeting of Shareholders | | | | | | | |
|---|---|---|---|---|---|---|---|
| Director name | Number of meeting(s) of Board of Directors to be attended during the reporting period | Number offline meeting(s) of Board of Directors attended | Number of online meeting(s) of Board of Directors attended | Number of meeting(s) of Board of Directors attended by entrustment | Number of absence(s) from meeting of Board of Directors | Whether there is failure to attend meeting of Board of Directors in person for two consecutive times | Number of General Meeting(s) of Shareholders attended |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Wan Feng | 9 | 9 | 0 | 0 | 0 | No | 2 |
| Shentu Xianzhong | 9 | 9 | 0 | 0 | 0 | No | 2 |
| Qian Feng | 9 | 9 | 0 | 0 | 0 | No | 2 |
| Qi Guancheng | 9 | 1 | 8 | 0 | 0 | No | 2 |
| Cheng Haijin | 9 | 1 | 8 | 0 | 0 | No | 2 |
| Zeng Fanli | 9 | 1 | 8 | 0 | 0 | No | 2 |
| Liu Zhiquan | 9 | 1 | 8 | 0 | 0 | No | 2 |

Explanation for failure to attend meeting of Board of Directors in person for two consecutive times: None

## 3. Circumstances in which directors raise objections to relevant matters of the Company

Whether the directors raise any objection to the relevant matters of the Company

□ Yes ☑ No

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

## 4. Other descriptions on directors’ performance of duties

Whether the directors’ suggestions to the Company were adopted

☑ Yes □ No

Explanation for whether the directors’ suggestions to the Company were adopted

During the 2024 operational year, all directors of the Company strictly adhered to the provisions and requirements of relevant laws, regulations, and rules, including the *Company Law*, *Securities Law*, and the *Shenzhen Stock Exchange Guidelines for Self-Regulatory Supervision of Listed Companies No. 2 - Standardized Operations of Listed Companies on the Growth Enterprise Market*. They fulfilled their duties with honesty, diligence, and independence, actively participated in relevant meetings, and diligently reviewed various proposals submitted to the Board of Directors. Independent directors have expressed independent opinions on major matters of the Company, giving full play to the role of Board of Directors and various professional committees. On the one hand, the directors strictly review the relevant matters submitted by the Company to the Board of Directors, safeguard the legitimate rights and interests of the Company and public shareholders, and promote the standardized operation of the Company; on the other hand, the directors give full play to their professional advantages, actively pay attention to and participate in research on the Company’s development, and put forward opinions and suggestions for the Company’s audit, internal control, and strategic planning. During the reporting period, all the directors’ suggestions to the Company were adopted.

| Committee name | Members | Number of meetings held | Held on | Meeting content | Important comments and suggestions | Other performance of duties | Specific objection matter (if any) |
|---|---|---|---|---|---|---|---|
| Strategy and ESG Committee of Board of Directors | Wan Feng, Cheng Haijin, Qi Guancheng | 10 | January 8, 2024 | Reviewed the *Proposal on the Deregistration of Henan Hucheng Information Technology Co., Ltd.* and *Proposal on the Actual Payment of Registered Capital to Hebei CTI Junrui Testing Technology Co., Ltd.* | Reviewed and approved various proposals | None | None |
| | | | March 4, 2024 | Reviewed 1. *Proposal on the 2024 Annual Operating Budget*; 2. | The Strategy and M&A | None | None |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | *Proposal on Capital Increase to Subsidiaries*; 3. *Proposal on the Amendment of the Equity Transfer Transaction Plan for Subsidiaries*; 4. *Proposal on the Acquisition of 100% Equity in GRAND VANTAGE GLOBAL VERIFICATION LIMITED* | Committee reviewed and approved various proposals | | |
| | | | April 17, 2024 | Reviewed the *2022 Strategy and M&A Committee Work Report*; *Proposal on the Selection of 2023 Strategic Performance Awards*; *Proposal on the Further Acquisition of 20% Equity in Haotu Enterprise Management Consulting (Shanghai) Co., Ltd.*; *2020-2022 Group Greenhouse Gas Inventory Report*; *2023 Group Greenhouse Gas Inventory Report*; *2023 Environmental, Social, and Governance Report* | Reviewed and approved various proposals | None | None |
| | | | May 27, 2024 | Reviewed the *Proposal on the Acquisition of 100% Equity in Naias* | Reviewed and approved the proposal | None | None |
| | | | August 30, 2024 | Reviewed the *CTI Testing & Certification Group's Carbon Neutrality White Paper*, *2023 Annual Climate Change Response Report*, *Proposal on the Formulation of the "Climate Change Management Policy"*, *Proposal on the Formulation of "Environmental Management Policy"*, *Proposal on the Formulation of* "*Sustainable Water Resources Policy"*, *Proposal on the Formulation of "Biodiversity Commitment"*, and *Proposal on the Formulation of "Occupational Health and Safety Policy"* | Reviewed and approved the proposal | None | None |
| | | | September 11, 2024 | Reviewed the *Proposal on the Acquisition of Equity in Microtek* | Reviewed and approved the proposal | None | None |
| | | | December | Reviewed the *Proposal* | Reviewed | None | None |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | 15, 2024 | *on Debt-to-Equity Swap and Capital Increase of a Subsidiary* and the *Proposal on Asset Sale by a Subsidiary* | and approved the proposal | | |
| | | | December 30, 2024 | Reviewed the *Proposal on Transfer of Subsidiary Equity* | Reviewed and approved the proposal | None | None |
| Audit Committee | Wan Feng, Cheng Haijin, Liu Zhiquan | 5 | January 8, 2024 | Communicated with Annual Audit Accountants on the 2023 Audit Plan | Approved the Audit Plan | None | None |
| | | | February 26, 2024 | Reviewed the *Internal Audit Department's Q4 2023 Work Summary*, *Internal Audit Department's Q1 2024 Work Plan*, *Internal Audit Report on 2022 Executive Benefits*, and *Internal Audit Report on CTI-Maritec Pte Ltd* | Reviewed and approved various proposals | None | None |
| | | | April 17, 2024 | Reviewed the *Report on the Work of the Audit Committee for 2023*, *Full Text and Abstract of the 2023 Annual Report*, *Full Text of the Q1 Report for 2024*, *2023 Internal Control Self-Assessment Report*, *Proposal on the Renewal of the Company's Audit Institution for 2024*, *Report by the Audit Committee on the Supervision of the Accounting Firm's Performance of Duties in 2023*, *Work Summary of the Internal Audit Department for Q1 of 2024*, *Work Plan of the Internal Audit Department for Q2 of 2024*, *Inspection Report on Major Matters of the Company in 2023*, *Audit Report on Annual Internal Compliance of Centre Testing International Group Co., Ltd. for 2023*, *Proposal on the Revision of the Special System for the Selection and Appointment of Accounting Firms* | Reviewed and approved various proposals | None | None |
| | | | August 8, 2024 | Reviewed the *Full Text and Abstract of the Semi-Annual Report for 2024*, *Work Summary of the Internal Audit Department for Q2 of 2024*, *Work Plan of the* | Reviewed and approved various proposals | None | None |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | *Internal Audit Department for Q3 of 2024*, *Internal Audit Report on Executive Welfare for 2023*, *Internal Audit Report on Executive Remuneration for 2023*, *Investigation Report on Violations in the Shanxi Yuanhang Jingle Project* | | | |
| | | | October 21, 2024 | Review the *Full Text of the Q3 Report in 2024*, *Work Summary of Internal Audit Department in Q3 of 2024*, and *Work Plan of Internal Audit Department in Q4 of 2024* | Reviewed and approved various proposals | None | None |
| Compensation Assessment and Nomination Committee | Zeng Fanli, Wan Feng, Cheng Haijin | 4 | February 21, 2024 | Reviewed the *Phase 1 Employee Share Ownership Plan (Draft) and Abstract for 2024*, *Management Measures for Phase 1 Employee Share Ownership Plan for 2024* | Reviewed and approved various proposals | None | None |
| | | | April 17, 2024 | Reviewed the *Work Report of the Compensation Assessment and Nomination Committee for 2023*, *Proposal on the Basic Profit for Executive Bonus Assessment in 2023*, *Proposal on the Distribution Results of Executive Bonuses for 2023*, *Proposal on the Basic Remuneration Scheme for Executives in 2024* | Reviewed and approved various proposals | None | None |
| | | | August 30, 2024 | Reviewed the *Diversity Policy for Members of Board of Directors*, *Proposal on Special Approval of Welfare for the Chairman* | Reviewed and approved various proposals | None | None |
| | | | December 9, 2024 | Reviewed the *Proposal on the Repurchase of Capital Contributions in the Holding Platform by Shanghai CTI Pinchuang Medical Testing Co., Ltd.* | Reviewed and approved the proposal | None | None |

## IX. The special committee under the Board of Directors during the reporting period

## X. Work of Board of Supervisors

Whether the Board of Supervisors found any risks in the Company during its supervisory activities during the reporting period

□ Yes ☑ No

The Supervisory Committee had no objection to the supervisory matters during the reporting period.

## XI. Company employees

### 1. Number of employees, professional composition and education background

| | |
|---|---|
| Number of active employees of the parent company at the end of the reporting period (person) | 1,914 |
| Number of active employees of major subsidiaries at the end of the reporting period (person) | 11,598 |
| Total number of active employees at the end of the reporting period (person) | 13,512 |
| Total number of employees receiving compensation in the current period (person) | 13,512 |
| Number of retired employees whose expenses need to be borne by the parent company and major subsidiaries (person) | 78 |
| Professional composition | |
| Professional composition category | Number of professionals (person) |
| Production staff | 4,123 |
| Sales staff | 2,433 |
| Technical staff | 6,184 |
| Financial staff | 185 |
| Administration staff | 587 |
| Total | 13,512 |
| Education background | |
| Education background category | Number (person) |
| Master’s degree and above | 38 |
| Master’s degree | 1,172 |
| Bachelor’s degree | 6,838 |
| College’s degree and below | 5,464 |
| Total | 13,512 |

### 2. Compensation policy

The Company’s compensation policy adheres to the basic principle of matching compensation with position value, while taking into account differentiated treatment of technical capabilities. Based on the employee’s position grade, the Company determines the salary grade of employees at a given position grade through comprehensive evaluation of the employees. In addition, the Company will determine the employee’s overall income based on the position, the performance of the employee’s department and his/her own performance. The Company will adjust employees’ positions every year and also recruit employees externally. In order to ensure that the Company’s overall salary level is consistent with the level of the external talent market, the Company’s HR Department will also collect industry and regional salary data from time to time as a reference to make corresponding adjustments.

### 3. Training plan

After a demand survey, each department of the Company prepares annual training plans for each department based on the actual needs of the department. For general and management training involving multiple departments and subsidiaries, the human resources department will match training resources and open corresponding public courses. Every year, the HR Department carries out targeted management talent training projects at all levels based on the training needs of managers, and organizes and implements them after approval by the Company.

### 4. Labor outsourcing

☑ Applicable □ Not applicable

| | |
|---|---|
| Total time of labor outsourcing (hours) | 34,955.37 |
| Total compensation paid for labor outsourcing (CNY) | 12,280,335.79 |

## XII. Company profit distribution and capital reserve conversion into share capital

Profit distribution policy during the reporting period, especially the formulation, implementation or adjustment of cash dividend policy

☑ Applicable □ Not applicable

The 2023 profit distribution plan was reviewed at the Company’s 2023 Annual General Meeting of Shareholders held on May 10, 2024: Based on the Company’s existing total share capital, excluding 8,000,000 repurchased shares, totaling 1,674,828,214 shares, a cash dividend of CNY 1.00 per 10 shares will be distributed to all shareholders, with no bonus shares issued and no capital reserves for share conversion. The total dividend payout will amount to CNY 167,482,821.40. On May 24, 2024, the Company implemented the above distribution plan. The Company’s *2023 Profit Distribution Plan* is strictly implemented in accordance with the cash dividend policy in its *Articles of Association* and *Shareholder Dividend Return Plan for the Next 3 Years*. During the reporting period, the formulation and implementation of the Company’s cash dividend policy complied with the provisions of the Company’s Articles of Association. The dividend standards and ratios were clear, and the relevant decision-making procedures were complete, fully safeguarding the legitimate rights and interests of minority shareholders.

| Special explanation of cash dividend policy | |
|---|---|
| Whether it complies with the provisions of the Company’s Articles of Association or requirements of the General Meeting of Shareholders resolution: | Yes |
| Are the dividend standards and proportions clear and distinct: | Yes |
| Are the relevant decision-making procedures and mechanisms complete? | Yes |
| Whether independent directors have performed their duties and played their due role: | Yes |
| If a company does not distribute cash dividends, it should disclose the specific reasons and the measures it intends to take to enhance the level of investor returns: | Not applicable |
| Do minority shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are fully protected: | Yes |
| If the cash dividend policy is adjusted or changed, are the conditions and procedures compliant and transparent? | Yes |

The Company’s profit distribution plan for the reporting period and share capital reserve conversion plan are consistent with the relevant provisions of the Company’s Articles of Association and dividend management measures.

☑ Yes □ No □ Not applicable

The Company’s profit distribution plan for the reporting period and share capital reserve conversion plan are consistent with the relevant provisions of the Company’s Articles of Association and other provisions.

Profit distribution and capitalization of capital reserve in the current year

| | |
|---|---|
| Bonus per 10 shares (shares) | 0 |
| Dividend per 10 shares (CNY) (including tax) | 1 |
| Conversion per 10 shares | 0 |
| Equity base of the distribution plan (shares) | 1,673,080,814 |
| Cash dividend amount (CNY) (including tax) | 167,308,081.40 |
| Amount of cash dividends distributed in other ways (such as share repurchase) (CNY) | 28,551,655.89 |
| Total cash dividends (including other methods) (CNY) | 195,859,737.29 |
| Distributable profit (CNY) | 2,654,362,912.03 |
| Ratio of total cash dividends (including other forms) to total profit distribution | 100.00% |
| Cash dividend distribution this time | |
| If the Company is in the growth stage and has major capital expenditure arrangements, the proportion of cash dividends in this profit distribution should be at least 20% in profit distribution. | |
| Detailed explanation of profit distribution or capital reserve conversion plan | |
| Audited by Beijing Dehao International Certified Public Accountants (Limited Liability Partnership), the parent company achieved a net profit of CNY 491,749,321.56 in 2024. A statutory surplus reserve of CNY 49,174,932.16 was extracted, equivalent to 10% of the parent company's net profit for 2024. Adding the undistributed profit of CNY 2,379,271,344.03 at the beginning of the year and deducting the cash dividend of CNY 167,482,821.40 (including tax) for 2023, the parent company's distributable profit as at December 31, 2024, was CNY 2,654,362,912.03.<br>The Company's profit distribution plan for 2024: Based on the total share capital that can participate in profit distribution on the equity registration date when the Company implements the profit distribution plan (excluding shares in the special securities account for repurchase), a cash dividend of CNY 1 yuan (tax included) will be distributed to all shareholders for every 10 shares, and 0 bonus share will be given, the capital reserve fund will be used to transfer 0 share to all shareholders for every 10 shares. From the announcement of this profit distribution plan to before its implementation, if the Company's total share capital participating in dividend distribution changes due to share repurchase, equity incentives, Employee Share Ownership Plans, etc., the distribution ratio will remain unchanged in the future. In the plan, the total share capital of the companies participating in dividend distribution on the equity registration date will be used as the base for profit distribution, and the total amount of dividends will be adjusted accordingly. The Company expects that the total distribution will not exceed the distributable profits on the financial statements. | |

The Company made profits during the reporting period and the parent company's profits available for distribution to shareholders were positive but no cash dividend distribution plan was proposed

□ Applicable ☑ Not applicable

## XIII. Implementation of the Company's equity incentive plan, employee share ownership plan or other employee incentives

☑ Applicable □ Not applicable

### 1. Equity incentives

During the reporting period, no equity incentives were implemented.

Equity incentives for directors and executives
□ Applicable ☑ Not applicable

Assessment mechanism and incentives for executives

All executives of the Company are appointed by the Board of Directors. The appointment of executives is open and transparent and complies with laws and regulations. Executives are directly responsible to the Board of Directors and undertake the operating indicators issued by the Board of Directors. The Company has established an effective incentive and restraint mechanism to encourage executives to work diligently and responsibly, and strive to improve the level of operation and management and business performance. The work performance of executives is directly linked to their income, and is assessed based on its set goals and actual task completion. The Compensation Assessment and Nomination Committee under the Company's Board of Directors is responsible for conducting year-end evaluations of the Company's directors and executives on their fulfillment of responsibility goals, work abilities, and performance of duties. During the reporting period, the salary and performance assessment management system for executives was implemented well.

## 2. Implementation of employee share ownership plan

☑ Applicable □ Not applicable

All effective employee share ownership plans during the reporting period

| Scope of employees | Number of employees | Total number of shares held (shares) | Change | Proportion of total share capital of the listed company | Capital source for implementation of the plan |
|---|---|---|---|---|---|
| Phase 1 Employee Share Ownership Plan: Directors of the Company and its subsidiaries (excluding independent directors), executives, management and technical backbone personnel | 62 | 3,670,000 | 1. The Company held the 1st Extraordinary General Meeting of Shareholders in 2017 on June 19, 2017, and reviewed and approved the *Phase 1 Employee Share Ownership Plan (Draft) and Summary of Centre Testing International Group Co., Ltd.* 2. On May 17, 2019, the Board of Directors of the Company reviewed and approved the *Proposal on Extension and Change of the Company's Phase 1 Employee Share Ownership Plan* and other proposals, and decided to adjust the number of holders, the list of persons and the distribution of shares of the Employee Share Ownership Plan. 3. On June 18, 2021, the Company held the Phase 1 Employee Share Ownership Plan holders meeting and the 16th Meeting of the 5th Board of | 0.22% | Self-raised funds of employees and compensated loans provided by major shareholders |

| | | | | | |
|---|---|---|---|---|---|
| | | | Directors, and reviewed and approved the *Proposal on Extension of the Phase 1 Employee Share Ownership Plan*, agreeing to extend the duration of the Company's Phase 1 Employee Share Ownership Plan by 24 months, that is, to August 18, 2023. 4. On December 8, 2021, the Company held the first shareholders meeting to review and approve the *Proposal on Adjustment of Phase 1 Employee Share Ownership Plan*. On December 13, 2021, the Company held the 20th Meeting of the 5th Board of Directors and the 5th Board of Supervisors reviewed and approved the *Proposal on Revision of the Draft and Management Measures of the Phase 1 Employee Share Ownership Plan* for the 18th time, and decided to adjust the number of holders, personnel list and share distribution of this Employee Share Ownership Plan. 5. On March 14, 2022, the Phase 1 Employee Share Ownership Plan holders meeting reviewed and approved the *Proposal on Adjustment of the Phase 1 Employee Share Ownership Plan*, agreeing to transfer 442,235 Employee Share Ownership Plan shares held by the | | |

| | | | | | |
|---|---|---|---|---|---|
| | | | resigned employee Lu Guocai, corresponding to 68,635 shares of the Company's tradable shares, to Feng Yongying and Deng Shiguo respectively, with each receiving half of the shares. 6. On July 4, 2023, the Phase 1 Employee Share Ownership Plan holders' meeting reviewed and approved the *Proposal on Extension and Change of the Phase 1 Employee Share Ownership Plan* and *Proposal on Revision of Draft and Management Measures of the Phase 1 Employee Share Ownership Plan*. The Company extended the Phase 1 Employee Share Ownership Plan, and meanwhile made changes to the list of holders and shares of the Phase 1 Employee Share Ownership Plan, and revised the corresponding contents in the *Draft and Summary of the Phase 1 Employee Share Ownership Plan of Centre Testing & Certification Group Co., Ltd.* and *Management Measures for the Phase 1 Employee Share Ownership Plan of Centre Testing & Certification Group Co., Ltd.* | | |
| Phase 2 Employee Share Ownership Plan: Directors of the Company and its subsidiaries (excluding independent | 22 | 1,424,500 | 1. The Company held the 1st Extraordinary General Meeting of Shareholders of 2018 on August 8, 2018, and | 0.08% | Self-raised funds of employees and compensated loans provided by major shareholders |

| | | | | | |
|---|---|---|---|---|---|
| directors), executives, management and technical backbone personnel | | | reviewed and approved the *Phase 2 Employee Share Ownership Plan (Draft) and Summary of Centre Testing International Group Co., Ltd*. 2. On October 9, 2018, the Company held the 19th Meeting of the 4th Board of Directors and the 15th Meeting of the 4th Board of Supervisors to review and approve the *Proposal on Revision of Phase 2 Employee Share Ownership Plan of China Testing International Group Co., Ltd. (Draft) and Its Abstract*, *Proposal on Revision of the Management Measures for the Phase 2 Employee Share Ownership Plan* of *China Testing International Group Co., Ltd.* and other proposals. 3. On November 9, 2020, the Company held the Phase 2 Employee Share Ownership Plan holders meeting and the 9th Meeting of the 5th Board of Directors, and reviewed and approved the *Proposal on Extension of the Phase 2 Employee Share Ownership Plan*, agreeing to extend the duration of the Company's Phase 2 Employee Share Ownership Plan by 24 months, that is, to December 10, 2022. 4. On December 8, 2021, the Company's | | |

| | | | | | |
|---|---|---|---|---|---|
| | | | 2nd General Meeting of Shareholders reviewed and approved the *Proposal on Adjustment of the Phase 2 Employee Share Ownership Plan*. On December 13, 2021, the 20th Meeting of the 5th Board of Directors reviewed and approved the *Proposal on Revision of the Draft Phase 2 Employee Share Ownership Plan and Management Measures*, with related directors abstaining from voting. 5. On November 8, 2022, the Company held the Phase 2 Employee Share Ownership Plan holders meeting and the 30th Meeting of the 5th Board of Directors, and reviewed and approved the *Proposal on Extension of the Phase 2 Employee Share Ownership Plan*, agreeing to extend the duration of the Company’s Phase 2 Employee Share Ownership Plan by 24 months, that is, to December 10, 2024. 6. On November 18, 2022, the Phase 2 Employee Share Ownership Plan holders meeting reviewed and approved the *Proposal on Adjustment of the Phase 1 Employee Share Ownership Plan*, agreeing to transfer the 446,170 shares of the Plan held by the original holder | | |

| | | | | | |
|---|---|---|---|---|---|
| | | | Guo Lin, which corresponded to 71,225 shares of the Company's floatable shares in equal shares to Chai Yongzhi, Wen Ship, and Dong Huimin, respectively, with each of them to receive one-third of the shares transferred. 22 holders of the Phase 2 Employee Share Ownership Plan, holding 1.4245 million shares of the Company. 7. On July 4, 2023, the General Meeting of Shareholders of Phase 2 Employee Share Ownership Plan reviewed and approved the *Proposal on Adjustment of the Management Model of Phase 2 Employee Share Ownership Plan*, agreeing to adjust the management model of Phase 2 Employee Share Ownership Plan from entrusted management by Guosen Securities Co., Ltd. to self-management by the Company. 8. On September 10, 2024, the general meeting of holders of the Phase 2 Employee Share Ownership Plan approved the *Proposal on Changing Holders of Phase 2 Employee Share Ownership Plan*. 3. On November 9, 2020, the Company held the Phase 2 Employee Share Ownership Plan holders meeting and the 9th Meeting of the 5th Board of Directors, and | | |

| | | | | | |
|---|---|---|---|---|---|
| | | | reviewed and approved the *Proposal on Extension of the Phase 2 Employee Share Ownership Plan*, agreeing to extend the duration of the Company's Phase 2 Employee Share Ownership Plan by 24 months, that is, to December 10, 2022. | | |
| Phase 1 Employee Share Ownership Plan in 2024 | 333 | 2,471,700 | 1. The first extraordinary General Meeting of Shareholders for 2024 was held on March 8, 2024, which approved the *Phase 1 Employee Share Ownership Plan (Draft) and Abstract for 2024 of Centre Testing International Group Co., Ltd*. 2. On June 4, 2024, the Company's Phase 1 Employee Share Ownership Plan for 2024 accumulated a purchase of 2,471,700 shares of the Company through secondary market purchases, accounting for 0.15% of its current total share capital. The total transaction amount was CNY 28,499,500 (excluding transaction fees), with an average transaction price of CNY 11.53 per share. The Company's Phase 1 Employee Share Ownership Plan for 2024 has completed the stock purchase, and the actual subscription shares did not exceed the upper limit of the proposed subscription shares approved by the | 0.15% | Self-raised funds of employees and compensated loans provided by major shareholders |

| | | | | | |
|---|---|---|---|---|---|
| | | | General Meeting of Shareholders. The above purchased shares will be locked in accordance with regulations. The lock-up period for the Company's Phase 1 Employee Share Ownership Plan for 2024 is 12 months (from June 5, 2024, to June 4, 2025). 3. On October 9, 2024, the management committee of the Phase 1 Employee Share Ownership Plan for 2024 approved the change of holders. | | |

Shares held by directors, supervisors and executives in employee share ownership plans during the reporting period

| Name | Position | Number of shares held at the beginning of the reporting period (shares) | Number of shares held at the end of the reporting period (shares) | Proportion of total share capital of the listed company |
|---|---|---|---|---|
| Xu Jiang (Phase 1 Employee Share Ownership Plan) | Vice President | 68,635 | 68,635 | 0.0041% |
| Li Fengyong (Phase 1 Employee Share Ownership Plan) | Vice President | 68,635 | 68,635 | 0.0041% |
| Wang Hao (Phase 1 Employee Share Ownership Plan) | Vice President and Chief Financial Officer | 68,635 | 68,635 | 0.0041% |
| Zeng Xiaohu (Phase 1 Employee Share Ownership Plan) | Vice President | 61,510 | 61,510 | 0.0037% |
| Xu Jiang (Phase 2 Employee Share Ownership Plan) | Vice President | 71,225 | 71,225 | 0.0042% |
| Zhou Lu (Phase 2 Employee Share Ownership Plan) | Vice President | 71,225 | 71,225 | 0.0042% |
| Jiang Hua (Phase 1 Employee Share Ownership Plan) | Vice President, Secretary of Board of Directors | 52,580 | 52,580 | 0.0031% |

Changes in asset management institutions during the reporting period

□ Applicable ☑ Not applicable

Changes in equity caused by holders' disposal of shares during the reporting period

□ Applicable ☑ Not applicable

Exercise of shareholders' rights during the reporting period

None

Other relevant situations and explanations of Employee Share Ownership Plan during the reporting period

□ Applicable ☑ Not applicable

Change in membership of the Employee Share Ownership Plan Management Committee

□ Applicable ☑ Not applicable

Financial impact of Employee Share Ownership Plan on the listed company during the reporting period and related accounting treatments

□ Applicable ☑ Not applicable

Termination of Employee Share Ownership Plan during the reporting period

□ Applicable ☑ Not applicable

Other Notes:

None

### 3. Other employee incentives

☑ Applicable □ Not applicable

The 20th Meeting of the 5th Board of Directors of the Company, the 18th Meeting of the 5th Board Of Supervisors, and the 2nd Extraordinary General Meeting of Shareholders in 2021 reviewed and approved the *Proposal on the Subsidiary's Implementation of Capital Increase and Share Expansion and Related Transactions*, agreeing to the subsidiary's Shanghai CTI Pinchuang Medical Testing Co., Ltd. (hereinafter referred to as "CTI Pharmaceuticals") increased its capital and shares at a price of CNY 4.50/registered capital (i.e. pre-investment valuation of CNY 1,437.957 million). The total investment of the Employee Share Ownership Plan, the management share ownership platform and Mr. Wan Feng, chairman of Board of Directors, should not exceed CNY 290.043 million. On December 20, 2022, the capital increase and share expansion of CTI Pharmaceuticals and related transactions were been completed. The total actual amount paid by relevant entities involved in the capital increase and share expansion of CTI Pharmaceuticals was CNY 246.18 million, accounting for 84.88% of the planned capital increase of CNY 290.043 million. The capital increase amount was within the scope of the capital increase and share expansion plan of CTI Pharmaceuticals approved by the General Meeting of Shareholders. Upon completion of the capital increase, the registered capital of CTI Pharmaceuticals increased from CNY 319.546 million to CNY 374.2526 million, and the equity ratio of CTI Pharmaceuticals held by CTI changed from 100% to 85.38%. On November 25, 2024, the 19th meeting of the 6th Board of Directors of the Company reviewed and approved the *Proposal on Revising the Capital Increase and Share Expansion Plan of the Subsidiary*. For details, refer to the *Announcement on the Implementation of Capital Increase and Share Expansion and Related Party Transactions of Subsidiaries* (No. 2021-074), *Announcement on the Implementation of Capital Increase and Share Expansion and Related Party Transactions of Subsidiaries* (No. 2022-048), *Implementation of Capital Increase of Subsidiaries, Announcement on Completion of Registration of Industrial and Commercial Change for Share Expansion and Related Transactions (No. 2022-085)* and *Announcement on the Amendment to the Subsidiary's Capital Increase and Share Expansion Plan* (No. 2024-056) disclosed by the Company at www.cninfo.com.cn. During the reporting period, CTI Pharmaceuticals' production and business operations were normal.

## XIV. Construction and implementation of internal control system during the reporting period

### 1. Internal control construction and implementation

In accordance with the internal control supervision requirements, combined with the Company's internal control system and evaluation methods, on the basis of daily internal control supervision and special supervision, the Company continuously improves and optimizes the internal control system to adapt to the ever-changing external environment and internal management requirements. The Company's Board of Directors, in accordance with the provisions of the enterprise's internal control normative system, establishes, improves and effectively implements internal control, evaluates its effectiveness, and truthfully discloses the internal control evaluation report. The Board of Supervisors supervises the establishment and implementation of internal controls. The management is responsible for organizing and leading the daily operation of the Company's internal control. The Company's Board of Directors has established an Audit Committee, which oversees and deliberates on its periodic reports, internal control reports and other major matters, and reports to the Board of Directors. The Company, through the internal control risk module, in the course of special inspections and internal audits of the units included in the scope of evaluation, found that there were some defects in the internal control of individual units within the scope of evaluation, and has now taken effective measures to rectify the units with internal control problems in a timely manner; at the same time, it has carried out a comprehensive assessment of the other units, in order to prevent the reoccurrence of similar risks. Therefore, the internal control system that the Company has established does not have material weaknesses in terms of completeness, compliance, and effectiveness.

### 2. Specific conditions of major internal control deficiencies found during the reporting period

□ Yes ☑ No

## XV. Management and control of the Company's subsidiaries during the reporting period

| Company name | Integration plan | Integration progress | Issues encountered during integration | Solutions taken | Solution progress | Subsequent solution plan |
|---|---|---|---|---|---|---|
| VIRCON LIMITED | It will be included in the scope of consolidated financial statements in 2024, and the integration of financial, IT and HR functional departments will be completed; the integration of operations, technical capabilities and sales will be completed, and business collaboration will be completed. | Completed | None | None | None | None |
| GRAND VANTAGE GLOBAL VERIFICATION LIMITED | It will be included in the scope of consolidated financial statements in 2024, and the integration of financial, IT and HR functional | Completed | None | None | None | None |

| | | | | | | |
|---|---|---|---|---|---|---|
| | departments will be completed; the integration of operations, technical capabilities and sales will be completed, and business collaboration will be completed. | | | | | |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | It will be included in the scope of consolidated financial statements in 2024, and the integration of financial, IT and HR functional departments will be completed; the integration of operations, technical capabilities and sales will be completed, and business collaboration will be completed. | Completed | None | None | None | None |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | It will be included in the scope of consolidated financial statements in 2024, and the integration of financial, IT and HR functional departments will be completed; the integration of operations, technical capabilities and sales will be completed, and business collaboration will be completed. | Completed | None | None | None | None |
| Greater Asia Pacific Limited | It will be included in the scope of consolidated financial statements in | Completed | None | None | None | None |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 2024, and the integration of financial, IT and HR functional departments will be completed; the integration of operations, technical capabilities and sales will be completed, and business collaboration will be completed. | | | | | |
| NAIAS SCIENTIFICA NALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME | It will be included in the scope of consolidated financial statements in 2024, and the integration of financial, IT and HR functional departments will be completed; the integration of operations, technical capabilities and sales will be completed, and business collaboration will be completed. | Completed | None | None | None | None |

## XVI. Internal control evaluation report and internal control audit report

### 1. Internal control evaluation report

| | | |
|---|---|---|
| Disclosure date of full text of internal control evaluation report | April 18, 2025 | |
| Disclosure index of full text of internal control evaluation report | http://www.cninfo.com.cn | |
| The proportion of total assets of the units included in the evaluation scope to the total assets of the Company's consolidated financial statements | 100.00% | |
| The proportion of operating income of the units included in the evaluation scope to the operating income of the Company's consolidated financial statements | 100.00% | |
| Defect identification standards | | |
| Classification | Financial statements | Non-financial statements |

| | | |
|---|---|---|
| Qualitative standards | Extensive damage, business interruption for more than 2 days/causing complete failure of process functionality | Constant media attention, loss of trust with business partners, loss of shareholder trust |
| Quantitative standards | >1 million | >1 million |
| Number of major deficiencies in financial statements | 0 | |
| Number of major deficiencies in non-financial statements | 0 | |
| Number of significant deficiencies in financial statements | 0 | |
| Number of significant deficiencies in non-financial statements | 0 | |

### 2. Internal control audit report

☑ Applicable □ Not applicable

| The review opinion section in the internal control audit report | |
|---|---|
| As of December 31, 2024, Centre Testing International Group Co., Ltd. maintained effective internal control over financial reporting in all material respects in accordance with the *Basic Standards for Enterprise Internal Control* and relevant regulations. | |
| Disclosure of the internal control audit report | Disclosure |
| Disclosure date of the full text of the internal control audit report | April 18, 2025 |
| Disclosure index of the full text of the internal control audit report | http://www.cninfo.com.cn |
| Internal control audit report opinion type | Unqualified opinion |
| Whether there are any significant deficiencies in non-financial statements | No |

Whether the accounting firm issues an internal control audit report with a non-standard opinion

□ Yes ☑ No

Whether the internal control attestation report issued by the accounting firm is consistent with the self-assessment report of Board of Directors

☑ Yes □ No

## XVII. Correction of issues found in the self-examination of the special action on company governance of the listed company

The Company regularly checks the requirements of the *Notice of the CSRC on Carrying out Special Actions on the Governance of the Listed Company* (Securities Regulatory Commission Office No. 69[2020]) and carefully reviews its governance situation every 6 months according to the checklist. Through self-inspection, the Company has established a relatively sound modern enterprise system in accordance with regulations and formed a relatively complete company governance structure without major omissions or other irregular behaviors. During the reporting period, the Company did not encounter any issues that required rectification.

# Section 5 Environmental and Social Responsibility

## I. Major environmental issues

Whether the listed company and its subsidiaries are key pollutant-discharging units announced by the environmental protection department

☑ Yes □ No

Environmental protection related policies and industrial standards

1. *Law of the People's Republic of China on Environmental Protection*

2. *Law of the People's Republic of China on Prevention and Control of Air Pollution*

3. *Law of the People's Republic of China on Water Pollution Prevention and Control*

4. *Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution*

5. *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*

6. *Law of the People's Republic of China on Environmental Impact Assessment*

7. *Soil Pollution Prevention and Control Law of the People's Republic of China*

8. *Emergency Response Law of the People's Republic of China*

9. *Emergency Management Measures for Environmental Emergencies*

Administrative licensing situation of environmental protection

1. Centre Testing International Group Co., Ltd. (Shenzhen) has obtained a pollutant discharge permit, date of issue: September 29, 2023, certificate No.: 91440300757618160G001X, validity period: September 28, 2028.

2. Suzhou CTI Technology Co, Ltd, pollutant discharge registration permit method: registration receipt. Registration No.: 913205076720080800001X Valid until: June 27, 2025.

| Company or subsidiary name | Types of main pollutants and characteristic pollutants | Names of main pollutants and characteristic pollutants | Emission mode | Number of discharge outlets | Distribution of discharge outlets | Emission concentration/ intensity | Implemented pollutant emission standards | Total emissions | Total approved emission | Excessive emission |
|---|---|---|---|---|---|---|---|---|---|---|
| Centre Testing International Group Co., Ltd. (Shenzhen) | Organic waste gas | Non-methane hydrocarbons | Organized emission | 26 | Rooftop | 0.73mg/m³ | 1. Emission Limits for Atmospheric Pollutants DB44/27-2001, DB44 2367-2022 and (Guangdong Province) Comprehensive Emission Standards for Volatile | 1.238 | / | None |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Organic Compounds from Stationary Pollution Sources DB44/2367-2022 | | | |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Inorganic waste gas | Hydrogen chloride | Organized emission | 5 | Rooftop | 3.67mg/m³ | 1. Emission Limits for Atmospheric Pollutants DB44/27-2001, DB44 2367-2022 and (Guangdong Province) Comprehensive Emission Standards for Volatile Organic Compounds from Stationary Pollution Sources DB44/2367-2022 | 0.754 | / | None |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Inorganic waste gas | Sulfuric acid mist | Organized emission | 5 | Rooftop | 5.87mg/m³ | 1. Emission Limits for Atmospheric Pollutants DB44/27-2001, DB44 2367-2022 and (Guangdong Province) Comprehensive Emission Standards for Volatile Organic Compounds from Stationary Pollution Sources DB44/2367-2022 | 0.566 | / | None |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Inorganic waste gas | NOx | Organized emission | 5 | Rooftop | 5.1mg/m³ | 1. Emission Limits for Atmospheric Pollutants DB44/27-2001, DB44 2367-2022 and (Guangdong Province) Comprehensive Emission Standards for Volatile Organic Compounds from Stationary Pollution Sources DB44/2367-2022 | 0.5821 | / | None |
| Centre Testing International | Wastewater | pH | Standard emission after | 1 | Rooftop | 7.6 | 1. Guangdong Province | — | — | None |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Group Co., Ltd. (Shenzhen) | | | treatment | | | | Water Pollutant Discharge Limits DB44/26-2001; 2. Water Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962-2015; 3. Water Pollutant Discharge Limits DB44/26-2001 | | | |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Wastewater | SS | Standard emission after treatment | 1 | Next to the parking lot on the left side of the main entrance of CTI | 6mg/L | 1. Guangdong Province Water Pollutant Discharge Limits DB44/26-2001; 2. Water Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962-2015; 3. Water Pollutant Discharge Limits DB44/2 | 0.006 | / | None |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Wastewater | COD | Standard emission after treatment | 1 | Next to the parking lot on the left side of the main entrance of CTI | 16mg/L | 1. Guangdong Province Water Pollutant Discharge Limits DB44/26-2001; 2. Water Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962-2015; 3. Water Pollutant Discharge Limits DB44/2 | 0.018 | / | None |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Wastewater | TP | Standard emission after treatment | 1 | Next to the parking lot on the left side of the main entrance of CTI | 0.01mg/L | 1. Guangdong Province Water Pollutant Discharge Limits DB44/26-2001; 2. Water | 0.00001 | / | None |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962-2015; 3. Water Pollutant Discharge Limits DB44/2 | | | |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Wastewater | Ammonia nitrogen | Standard emission after treatment | 1 | Next to the parking lot on the left side of the main entrance of CTI | 0.215mg/L | 1. Guangdong Province Water Pollutant Discharge Limits DB44/26-2001; 2. Water Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962-2015; 3. Water Pollutant Discharge Limits DB44/2 | 0.0002 | / | None |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Wastewater | TN | Standard emission after treatment | 1 | Next to the parking lot on the left side of the main entrance of CTI | 2.09mg/L | 1. Guangdong Province Water Pollutant Discharge Limits DB44/26-2001; 2. Water Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962-2015; 3. Water Pollutant Discharge Limits DB44/2 | 0.002 | / | None |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Wastewater | BOD | Standard emission after treatment | 1 | Next to the parking lot on the left side of the main entrance of CTI | 5.6mg/L | 1. Guangdong Province Water Pollutant Discharge Limits DB44/26-2001; 2. Water Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962- | 0.006 | / | None |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 2015; 3. Water Pollutant Discharge Limits DB44/2 | | | |
| Centre Testing International Group Co., Ltd. (Shenzhen) | Wastewater | Petroleum-based substances | Standard emission after treatment | 1 | Next to the parking lot on the left side of the main entrance of CTI | 0.06mg/L | 1. Guangdong Province Water Pollutant Discharge Limits DB44/26-2001; 2. Water Quality Standards for Sewage Discharge into Urban Sewers GB/T 31962-2015; 3. Water Pollutant Discharge Limits DB44/2 | 0.00006 | / | None |
| Suzhou CTI Testing Technology Co., Ltd. | Inorganic waste gas | Particulate matters | Organized emission | 1 | Rooftop | 1.3mg/m³ | Integrated emission standard of air pollutants (GB 16297-1996) | 0.0232a/t | ≤0.2532a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Organic waste gas | VOCs | Organized emission | 23 | Rooftop | 0.254mg/m³ | Integrated emission standard of air pollutants (GB 16297-1996) | 0.0364a/t | ≤0.6546a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Inorganic waste gas | Hydrogen chloride | Organized emission | 3 | Rooftop | Not detected | Integrated emission standard of air pollutants (GB 16297-1996) | / | ≤0.0634a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Inorganic waste gas | Sulfuric acid mist | Organized emission | 7 | Rooftop | Not detected | Integrated emission standard of air pollutants (GB 16297-1996) | / | ≤0.105a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Inorganic waste gas | NOx | Organized emission | 23 | Rooftop | Not detected | Integrated emission standard of air pollutants (GB 16297-1996) | / | ≤0.1053a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Wastewater | PH | Standard emission after treatment | 1 | Southwest corner of the Company | 7.3 | Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015) | / | / | None |
| Suzhou CTI Testing Technology Co., Ltd. | Wastewater | SS | Standard emission after treatment | 1 | Southwest corner of the Company | 41mg/L | Wastewater quality standards for discharge to | 0.6796a/t | ≤3.8a/t | None |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | municipal sewers (GB/T 31962-2015) | | | |
| Suzhou CTI Testing Technology Co., Ltd. | Wastewater | COD | Standard emission after treatment | 1 | Southwest corner of the Company | 18mg/L | 1. Water pollutant discharge limit (DB 44/26-20012); Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015) | 0.2984a/t | ≤8.2a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Wastewater | TP | Standard emission after treatment | 1 | Southwest corner of the Company | 2.73mg/L | Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015) | 0.0453a/t | ≤0.08a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Wastewater | Ammonia nitrogen | Standard emission after treatment | 1 | Southwest corner of the Company | 10.9mg/L | Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015) | 0.1807a/t | ≤0.4a/t | None |
| Suzhou CTI Testing Technology Co., Ltd. | Wastewater | TN | Standard emission after treatment | 1 | Southwest corner of the Company | 55.2mg/L | Wastewater quality standards for discharge to municipal sewers (GB/T 31962-2015) | 0.9151a/t | / | None |

Industry emission standards and specific conditions of pollutant emissions involved in production and operation activities

Treatment of pollutants

| Environmental protection measures | Centre Testing International Group Co., Ltd. (Shenzhen) | Suzhou CTI Testing Technology Co., Ltd. |
|---|---|---|
| Industrial wastewater treatment | After being collected and mixed, the wastewater is treated in a separate wastewater treatment facility using the chemical precipitation process. | After pre-treatment (biochemical, physical and chemical) by the factory wastewater treatment facilities, it is discharged into the municipal sewage network. |
| Industrial waste gas treatment | 1. For sulfuric acid mist and hydrochloric acid-type acid mist waste gas, spray tower devices are installed and alkaline solutions are used for neutralization and absorption. The generated organic waste gas is collected through laboratory fume hoods and gas collection hoods, then treated by a waste gas treatment system (activated carbon adsorption) for adsorption and absorption. The exhaust stack height is 53 m. | 1. Soil grinding dust is collected, dusted with bags, and then discharged through a 25 m exhaust pipe;<br>2. The volatile waste gas from laboratory chemical reagents is collected through the laboratory suction hood and suction hood, adsorbed by activated carbon, and then discharged through the exhaust pipe. |

Environmental self-monitoring plan

The Company conducted annual pollutant monitoring in strict accordance with the requirements of emission permit/environmental impact assessment approval.

Emergency plan for environmental emergencies

The companies have prepared documents such as the *Risk Assessment Report on Environmental Emergencies*, the *Environmental Emergency Resource Investigation Report* and the *Emergency Response Plan for Environmental Emergencies* in accordance with the requirements of the local supervisory authorities.

Investment in environmental governance and protection and related information on payment of environmental protection tax

During the reporting period, the Company paid environmental protection tax of CNY 41,881.96.

Measures taken to reduce its carbon emissions during the reporting period and their effects

☑ Applicable □ Not applicable

In 2024, to address global climate change, the Company primarily adopted the following measures to reduce carbon emissions:

1. Green office

The Company actively promotes green office through the following methods: Promoting paperless processes while setting printers to double-sided printing mode to maximize the use of the second side of paper (except for confidential documents), thereby reducing paper consumption; repeatedly reusing product packaging boxes and other consumables; implementing energy classification management methods to enhance equipment management; turning off lighting, facilities, power, and machines that can be shut down during holidays, or setting them to the most energy-efficient operation mode when shutdown is not possible; turning off computer and lighting power after work, and shutting down production equipment power during breaks and after work without affecting production; promoting wastewater reuse; prohibiting the use of obsolete energy-intensive products; implementing measures such as registered fuel cards and recorded mileage to reasonably control gasoline consumption; and gradually replacing traditional gasoline and diesel sampling vehicles with electric sampling vehicles to reduce reliance on fossil fuels.

2. Green travel

In order to further reduce the Company's carbon emissions and environmental impact, the Company will, based on business needs, give priority to employees who are closer to the project site for business travel to reduce business travel distances. This move will not only help reduce transportation emissions, but also save energy. Meanwhile, the Company actively promotes the use of online meetings to reasonably reduce the frequency of business trips and reduce employees' travel needs. In addition, the Company advocates and supports employees to give priority to green travel tools such as public transportation, bicycles, and electric vehicles. By promoting the Company's green travel measures, it will continue to reduce the Company's carbon footprint and make a positive contribution to environmental protection.

3. Green building

The construction stage of the Company's own base: A large centralized green area is set up on the base, and the greening rate is maintained at 20%, so as to reduce greenhouse gas emissions, prevent and reduce pollution; vertical greening is set up on the building balconies to block sunlight, reduce reflection and heat absorption of the building facade, thereby reducing building operation energy consumption and carbon emissions; Class A non-combustible material foam glass is used in the building, and new materials such as autoclaved aerated concrete blocks that can meet energy-saving design standards with a single material; the water efficiency level of all sanitary appliances in the base reaches Level 2, which is efficient and water-saving; the artificial lighting in the lighting area is automatically adjusted with changes in natural light intensity to achieve the effect of energy saving and emission reduction.

The decoration and design phase of the Company's base and laboratory: Design an exhaust frequency conversion automatic control system to solve the variable air volume requirements and constant surface wind speed requirements at the end of the ventilation equipment, saving energy by 50%-70%; install a VAV variable air volume valve to avoid unnecessary energy waste.

Administrative penalties for environmental issues during the reporting period: none.

Other environmental information that should be disclosed

*The Environmental, Social and Governance Report 2024* disclosed by the Company

Other environmental related information

*The Environmental, Social and Governance Report 2024* disclosed by the Company

## II. Social responsibility

The *Environmental, Social and Governance Report 2024* was released on April 18, 2025 at www.cninfo.com.cn.

## III. Consolidation and expansion of the results of poverty alleviation and rural revitalization

None.

# Section 6 Important Matters

## I. Fulfillment of commitments

### 1. Commitments made by the Company's actual controller, shareholders, related parties, acquirers, the Company and other relevant parties that have been fulfilled during the reporting period and have not yet been fulfilled by the end of the reporting period

☑ Applicable □ Not applicable

| Reason for commitment | Commitment party | Commitment type | Commitment content | Commitment time | Commitment period | Fulfillment |
|---|---|---|---|---|---|---|
| Commitments made during initial public offering or refinancing | Guo Bing; Guo Yong; Wan Feng; Wan Lipeng | Commitments made during initial public offering or refinancing | Commitments regarding competition in the same industry, connected transactions, and appropriation of funds. | September 1, 2008 | Long-term | Normal execution |
| Other commitments made to the Company's minority shareholders | Yu Cuiping | Commitment on restricted sale of shares | I, Yu Cuiping, promise that the shares of CTI Technology obtained through divorce will continue to fulfill the share lock-up commitment originally made by Mr. Wan Feng, which includes but is not limited to: (1) I hereby promise that during the period when Mr. Wan Feng serves as the Director, supervisor or executive of the Company, I can reduce my shareholding of the shares of CTI acquired this time by 25% of the remaining shares held by him each year; (2) I hereby promise that I will voluntarily entrust Mr. Wan Feng to | June 28, 2017 | Long-term | Normal execution |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | exercise the voting rights corresponding to the shares I have acquired without compensation.<br>(3) If Mr. Wanfeng resigns, he should not be transferred within 6 months after his resignation, and the transfer amount should not exceed 50% of the total number of shares held within 18 months after his resignation;<br>(4) The CSRC and Shenzhen Stock Exchange have relevant regulations on restricted shares;<br><br>(5) The provisions of the *Several Provisions on the Reduction of Shares by Shareholders, Directors, Supervisors and Senior Managers of the Listed Company* promulgated by the CSRC on May 26, 2017 and the *Implementation Rules on the Reduction of Shares by Shareholders, Directors, Supervisors and Executives of the Listed Company of the Shenzhen Stock Exchange* promulgated by the Shenzhen Stock Exchange on May 27, 2017; | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | (6) The shares of CTI that are increased due to the issuance of bonus shares by CTI and the conversion of capital reserve fund to additional share capital should also comply with the above agreement. | | | |
| Whether commitments are fulfilled on time | Yes | | | | | |
| If commitments are not fulfilled on time and has not been fulfilled, the specific reasons for the failure to perform and the next work plan should be explained in detail. | Not applicable | | | | | |

**2. If there is a profit forecast for the Company's assets or programs and the reporting period is still in the profit forecast period, the Company explains that the assets or programs have met the original profit forecast and the reasons for that.**

□ Applicable ☑ Not applicable

## II. Non-operating capital occupation of the listed company by holding shareholders and other related parties

□ Applicable ☑ Not applicable

During the Company's reporting period, there was no non-operating capital occupation of the listed company by holding shareholders and other related parties.

## III. Illegal external guarantees

□ Applicable ☑ Not applicable

The Company had no illegal external guarantees during the reporting period.

## IV. Explanation of Board of Directors on the "Non-Standard Audit Report" in the last period

□ Applicable ☑ Not applicable

## V. Explanation of the "non-standard audit report" of the accounting firm for the reporting period by Board of Directors, Board of Supervisors and independent directors (if any)

□ Applicable ☑ Not applicable

## VI. Explanation of Board of Directors on changes in accounting policies, accounting estimates or correction of major accounting errors during the reporting period

□ Applicable ☑ Not applicable

## VII. Explanation of changes in the scope of consolidated statements compared with the previous year's financial statement

☑ Applicable □ Not applicable

Compared with the previous period, the number of entities included in the scope of consolidated financial statements in the current period increased by 14 and decreased by 8. For detailed information on the entities with changed scope of consolidation, refer to Section 10.9 Changes in the scope of consolidation.

## VIII. Appointment and dismissal of accounting firms

Currently employed accounting firm

| | |
|---|---|
| Name of domestic accounting firm | Beijing Dehao International Certified Public Accountants (Special General Partnership) |
| Compensation of domestic accounting firm (CNY 10,000) | 265 |
| Continuous years of audit services provided by domestic accounting firm | 2 |
| Name of CPA of domestic accounting firm | Zhou Junxiang and Huang Jialin |
| Continuous years of audit services provided by the registered accountants of domestic accounting firm (if any) | Zhou Junxiang for 5 years, Huang Jialin for 2 years |
| Name of overseas accounting firm (if any) | None |
| Compensation of overseas accounting firm (CNY 10,000) (if any) | 0 |
| Continuous years of audit services provided by overseas accounting firm (if any) | None |
| Name of the certified public accountant of overseas accounting firm (if any) | None |
| Continuous years of audit services provided by the registered accountants of the overseas accounting firm (if any) | None |

Whether to hire a new accounting firm

□ Yes ☑ No

Employment of internal control audit accounting firms, financial advisors or sponsors

☑ Applicable □ Not applicable

On April 17, 2024, the Company held the 15th meeting of the 6th Board of Directors, and on May 10, 2024, the 2023 Annual General Meeting of Shareholders reviewed and approved *the Proposal on Reappointing the Company's 2024 Audit Firm*, agreeing to reappoint Beijing Dehao International Certified Public Accountants (Special General Partnership) as the Company's 2024 audit service provider, responsible for the Company's 2024 financial audit and internal control audit, with a one-year appointment period.

## IX. Possibility of delisting after annual report disclosure

□ Applicable ☑ Not applicable

## X. Matters related to bankruptcy and reorganization

□ Applicable ☑ Not applicable

The Company did not have any matters related to bankruptcy and reorganization during the reporting period.

## XI. Major litigation and arbitration matters

☑ Applicable □ Not applicable

| Basic information on litigation (arbitration) | Amount involved (CNY 10,000) | Whether a provisional liability is formed | Litigation (arbitration) progress | Litigation (arbitration) results and impact | Litigation (arbitration) judgment execution status | Disclosed on | Disclosure index |
|---|---|---|---|---|---|---|---|
| Litigation pending | 2,190.49 | No | Under trial | The amount is small and will not have a significant impact on the Company. | None | | |
| Litigation settled | 2,114.42 | No | Settled | All lawsuits have been decided and will not have a significant impact on the Company | None | | |

## XII. Penalties and rectification

□ Applicable ☑ Not applicable

The Company did not receive any penalties or rectification during the reporting period.

## XIII. Company integrity and its holding shareholders and actual controller

□ Applicable ☑ Not applicable

## XIV. Major related transactions

### 1. Related transactions of daily operations

□ Applicable ☑ Not applicable

The Company had no related transactions of daily operations during the reporting period.

### 2. Related transactions arising from asset or equity acquisition and sale

□ Applicable ☑ Not applicable

During the reporting period, there were no related transactions arising from asset or equity acquisition and sale of assets or equity.

### 3. Related transactions involving joint overseas investment

□ Applicable ☑ Not applicable
The Company did not have any related transactions involving joint overseas investment during the reporting period.

### 4. Related creditor's rights and debts

□ Applicable ☑ Not applicable

The Company had no related creditor's rights and debts during the reporting period.

### 5. Dealings with financial companies with related relationships

□ Applicable ☑ Not applicable
There was no deposit, loan, credit or other financial business between the Company and the finance companies and related parties with related relationships.

### 6. Transactions between the financial companies held by the Company and related parties

□ Applicable ☑ Not applicable

There was no deposit, loan, credit or other financial business between the financial companies held by the Company and related parties.

### 7. Other major related transactions

□ Applicable ☑ Not applicable

The Company had no other significant related transactions during the reporting period.

## XV. Major contracts and their performance

### 1. Trusteeship, contract and lease

#### (1) Trusteeship

□ Applicable ☑ Not applicable

There was no trusteeship during the reporting period.

#### (2) Contract

□ Applicable ☑ Not applicable

There was no contract during the reporting period.

#### (3) Lease

☑ Applicable □ Not applicable

Lease description

During the reporting period, the lease of the Company was mainly due to the leasing office premises in Shenzhen, Beijing and Hangzhou for daily operational needs, and the expenses incurred for each leased premises throughout the year did not have a significant impact on the profit of the Company for the reporting period.

Programs that have generated gains or losses for the Company of 10% or more of its total profit

□ Applicable ☑ Not applicable

The Company does not have any leasing programs that have generated gains or losses for the Company of 10% or more of its total profit during the reporting period.

## 2. Major guarantee

☑ Applicable □ Not applicable

Unit: CNY 10,000

| External guarantees provided by the Company and its subsidiaries (excluding guarantees to subsidiaries) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Guaranteed object name | Announcement disclosure date related to guarantee limit | Guarantee amount | Actual date of occurrence | Actual guarantee amount | Guarantee type | Collateral (if any) | Counter guarantee (if any) | Guarantee period | Whether the performance is completed | Whether it is a guarantee for related parties |
| Guarantees provided by the Company to subsidiaries | | | | | | | | | | |
| Guaranteed object name | Announcement disclosure date related to guarantee limit | Guarantee amount | Actual date of occurrence | Actual guarantee amount | Guarantee type | Collateral (if any) | Counter guarantee (if any) | Guarantee period | Whether the performance is completed | Whether it is a guarantee for related parties |
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | July 26, 2022 | 20 | August 1, 2022 | 20 | General guarantee | None | None | From August 1, 2022 to July 25, 2024 | Yes | No |
| CTI Engineering Testing Co., Ltd. | March 3, 2022 | 16.61 | March 28, 2022 | 16.61 | General guarantee | None | None | From March 28, 2022 to December 31, 2025 | No | No |
| CTI Engineering Testing Co., Ltd. | March 3, 2022 | 42.43 | March 28, 2022 | 42.43 | General guarantee | None | None | From March 28, 2022 to March 31, 2024 | Yes | No |
| CTI VESP Testing Technology Co., Ltd. | May 31, 2023 | 777.64 | May 31, 2023 | 777.64 | Joint and several liability guarantee | None | None | From May 31, 2023 to October 27, 2026 | No | No |
| CTI Engineering Testing Co., Ltd. | August 11, 2023 | 53.74 | August 18, 2023 | 53.74 | General guarantee | None | None | From August 18, 2023 to August 17, 2024 | Yes | No |
| CTI Engineering Testing Co., Ltd. | December 13, 2023 | 31.25 | December 27, 2023 | 31.25 | General guarantee | None | None | From December 27, 2023 to December 31, 2024 | Yes | No |
| CTI Engineering Testing Co., Ltd. | December 13, 2023 | 15.9 | December 27, 2023 | 15.9 | General guarantee | None | None | From December 27, 2023 to December 31, 2024 | Yes | No |
| CTI Engineering Testing Co., Ltd. | November 25, 2024 | 40.2 | January 2, 2025 | 0 | General guarantee | None | None | From January 2, 2025 to December 31, 2025 | No | No |
| CTI Engineering Testing Co., | November 25, 2024 | 74 | January 2, 2025 | 0 | General guarantee | None | None | From January 2, 2025 to | No | No |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ltd. | | | | | | | | December 31, 2025 | | |
| Total approved guarantee amount for subsidiaries during the reporting period (B1) | | 114.2 | | Total actual amount of guarantees provided to subsidiaries during the reporting period (B2) | | 957.57 | | | | |
| Total approved guarantee lines for subsidiaries at the end of the reporting period (B3) | | 1,071.77 | | Total actual guarantee balance for subsidiaries at the end of the reporting period (B4) | | 794.25 | | | | |
| Guarantees provided by subsidiaries to subsidiaries | | | | | | | | | | |
| Guaranteed object name | Announcement disclosure date related to guarantee limit | Guarantee amount | Actual date of occurrence | Actual guarantee amount | Guarantee type | Collateral (if any) | Counter guarantee (if any) | Guarantee period | Whether the performance is completed | Whether it is a guarantee for related parties |
| imat-uve gmbh | May 21, 2022 | 2,191.24 | September 2, 2022 | 216.44 | | None | Guarantee in the same proportion | From September 2, 2022 to April 30, 2026 | No | No |
| Total approved guarantee amount for subsidiaries during the reporting period (C1) | | 0 | | Total actual amount of guarantees provided to subsidiaries during the reporting period (C2) | | 216.44 | | | | |
| Total approved guarantee lines for subsidiaries at the end of the reporting period (C3) | | 2,191.24 | | Total actual guarantee balance for subsidiaries at the end of the reporting period (C4) | | 216.44 | | | | |
| Total Company's guarantees (i.e. the total of the above three major items) | | | | | | | | | | |
| Total approved guarantee amount during the reporting period (A1+B1+C1) | | 114.2 | | Total actual amount of guarantees incurred during the reporting period (A2+B2+C2) | | 1,174.01 | | | | |
| Total approved guarantee lines at the end of the reporting period (A3+B3+C3) | | 3,263.01 | | Total actual guarantee balance at the end of the reporting period (A4+B4+C4) | | 1,010.69 | | | | |
| Proportion of actual total guarantee amount (i.e. A4+B4+C4) to the Company's net assets | | | | | | 0.15% | | | | |
| Including: | | | | | | | | | | |
| Balance of guarantees in favor of shareholders, actual controller and its related parties (D) | | | | | | 0 | | | | |
| Balance of debt guarantees provided directly or indirectly for guaranteed objects whose asset-liability ratio exceeds 70% (E) | | | | | | 0 | | | | |
| Amount of the total guarantee exceeding 50% of net assets (F) | | | | | | 0 | | | | |
| Total amount of the above three guarantees (D+E+F) | | | | | | 0 | | | | |
| For unexpired guarantee contracts, a description of the situations in which guarantee liabilities occurred during the reporting period or where there is evidence that joint and several liabilities may be assumed (if any) | | | | | | 0 | | | | |
| Explanation of any violation of the prescribed procedures in providing guarantees to external parties (if any) | | | | | | None | | | | |

Specific description of using composite guarantee

None

## 3. Entrusting others to manage cash assets

### (1) Entrusted financial management

☑ Applicable □ Not applicable

Overview of entrusted financial management during the reporting period

Unit: CNY 10,000

| Specific type | Sources of funds for entrusted financial | Amount of entrusted financial management | Undue balance | Overdue amount | Amount of overdue financial recoveries that |
|---|---|---|---|---|---|

| | management | | | | have been impaired |
|---|---|---|---|---|---|
| Bank financial products | Private capital | 71,800 | 71,800 | 0 | 0 |
| Total | | 71,800 | 71,800 | 0 | 0 |

Specific cases of high-risk entrusted finance with significant individual amounts or low security and illiquidity

□ Applicable ☑ Not applicable

Anticipated non-collection of principal or other circumstances that may lead to impairment of entrusted finance

□ Applicable ☑ Not applicable

**(2) Entrusted loans**

□ Applicable ☑ Not applicable

The Company had no entrusted loans during the reporting period.

### 4. Other major contracts

□ Applicable ☑ Not applicable

The Company had no other major contracts during the reporting period.

## XVI. Description of other major matters

☑ Applicable □ Not applicable

| Announcement No. | Announcement content | Disclosed on | Disclosure media |
|---|---|---|---|
| 2024-001 | Announcement on the Progress of Share Repurchase | 2024-01-03 | http://www.cninfo.com.cn |
| 2024-002 | 2023 Annual Performance Forecast | 2024-01-18 | http://www.cninfo.com.cn |
| 2024-003 | Announcement on the Progress of Share Repurchase | 2024-02-03 | http://www.cninfo.com.cn |
| 2024-004 | Announcement on the “Dual Improvement of Quality and Returns” Action Plan | 2024-02-05 | http://www.cninfo.com.cn |
| 2024-005 | Announcement on Resolution of the 12th Meeting of the 6th Board of Directors | 2024-02-22 | http://www.cninfo.com.cn |
| 2024-006 | Announcement on Resolution of the 10th Meeting of the 6th Board of Supervisors | 2024-02-22 | http://www.cninfo.com.cn |
| 2024-007 | Notice on Holding the 1st Extraordinary General Meeting of Shareholders in 2024 | 2024-02-22 | http://www.cninfo.com.cn |
| 2024-008 | Announcement on the Progress of Share Repurchase | 2024-03-02 | http://www.cninfo.com.cn |
| 2024-009 | Announcement on Resolution of the 13th Meeting of the 6th Board of Directors | 2024-03-05 | http://www.cninfo.com.cn |
| 2024-010 | Announcement on the Resolutions of the 2024 First Extraordinary General Meeting of Shareholders | 2024-03-09 | http://www.cninfo.com.cn |
| 2024-011 | Announcement on the Progress of the 2024 Phase 1 Employee Share Ownership Plan | 2024-04-02 | http://www.cninfo.com.cn |
| 2024-012 | Announcement on Resolution of the 14th Meeting of the 6th Board of Directors | 2024-04-02 | http://www.cninfo.com.cn |
| 2024-013 | Announcement on Use of Idle Self-owned Funds for Entrusted Financial Management | 2024-04-02 | http://www.cninfo.com.cn |
| 2024-014 | Announcement on the Progress of Share Repurchase | 2024-04-02 | http://www.cninfo.com.cn |
| 2024-016 | Announcement on Resolution of the 15th Meeting of the 6th Board of Directors | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-017 | Announcement on Resolution of the 11th Meeting of the 6th Board of Supervisors | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-018 | Announcement on Holding an Online Presentation on 2023 Annual Results | 2024-04-19 | http://www.cninfo.com.cn |

| | | | |
|---|---|---|---|
| 2024-019 | Report of the Audit Committee of Board of Directors on Supervising the Duties of the Accounting Firm | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-020 | Assessment Report on the Accounting Firm’s Performance in 2023 | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-021 | Notice on Holding 2023 Annual General Meeting of Shareholders | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-022 | Annual Report 2023 Summary | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-023 | Q1 Report of 2024 | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-024 | Notice on Further Appointment of the Company’s Audit Institution in 2024 | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-025 | Announcement on Annual Profit Distribution Plan in 2023 | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-026 | Progress Announcement on the “Dual Improvement of Quality and Returns” Action Plan | 2024-04-19 | http://www.cninfo.com.cn |
| 2024-027 | Announcement on Completion of the Company’s share repurchase and share changes | 2024-04-23 | http://www.cninfo.com.cn |
| 2024-028 | Announcement on the Progress of the 2024 Phase 1 Employee Share Ownership Plan | 2024-05-07 | http://www.cninfo.com.cn |
| 2024-029 | Announcement on Resolution of the Annual General Meeting of Shareholders in 2023 | 2024-05-11 | http://www.cninfo.com.cn |
| 2024-030 | Announcement on Implementation of Annual Equity Distribution of 2023 | 2024-05-17 | http://www.cninfo.com.cn |
| 2024-031 | Announcement on the Progress of the 2024 Phase 1 Employee Share Ownership Plan | 2024-06-04 | http://www.cninfo.com.cn |
| 2024-032 | Announcement on the Completion of Stock Purchases and Progress of the 2024 Phase 1 Employee Share Ownership Plan | 2024-06-06 | http://www.cninfo.com.cn |
| 2024-033 | Announcement on the Name Change of the Accounting Firm | 2024-06-21 | http://www.cninfo.com.cn |
| 2024-034 | Announcement on Resolution of the 16th Meeting of the 6th Board of Directors | 2024-07-03 | http://www.cninfo.com.cn |
| 2024-035 | Announcement on the Plan to Repurchase the Company’s Shares | 2024-07-03 | http://www.cninfo.com.cn |
| 2024-036 | Announcement on Shareholdings of Top 10 Shareholders and Top 10 Shareholders Without Restrictions on Share Repurchase | 2024-07-05 | http://www.cninfo.com.cn |
| 2024-037 | Repurchase Report | 2024-07-05 | http://www.cninfo.com.cn |
| 2024-038 | Forecast of Results for Half Year of 2024 | 2024-07-05 | http://www.cninfo.com.cn |
| 2024-039 | Announcement on the First Shares Repurchase of the Company | 2024-07-05 | http://www.cninfo.com.cn |
| 2024-040 | Announcement on the Progress of Share Repurchase | 2024-08-02 | http://www.cninfo.com.cn |
| 2024-041 | Announcement on Resolution of the 17th Meeting of the 6th Board of Directors | 2024-08-12 | http://www.cninfo.com.cn |
| 2024-042 | Announcement on Resolution of the 12th Meeting of the 6th Board of Supervisors | 2024-08-12 | http://www.cninfo.com.cn |
| 2024-043 | Announcement on Issuance of Performance Guarantee for Subsidiaries | 2024-08-12 | http://www.cninfo.com.cn |
| 2024-044 | Announcement on Application for A Comprehensive Credit Line from the Bank | 2024-08-12 | http://www.cninfo.com.cn |
| 2024-045 | 2024 Semi-Annual Report Summary | 2024-08-12 | http://www.cninfo.com.cn |
| 2024-046 | Announcement on the Progress of Share Repurchase | 2024-09-03 | http://www.cninfo.com.cn |
| 2024-047 | Announcement on the Progress of Share Repurchase | 2024-10-09 | http://www.cninfo.com.cn |
| 2024-048 | Announcement on Resolution of the 18th Meeting of the 6th Board of Directors | 2024-10-25 | http://www.cninfo.com.cn |
| 2024-049 | Announcement on Resolution of the 13th Meeting of the 6th Board of Supervisors | 2024-10-25 | http://www.cninfo.com.cn |
| 2024-051 | Announcement on the Company’s Proposed Land Purchase and Investment in Construction Projects | 2024-10-25 | http://www.cninfo.com.cn |
| 2024-052 | Announcement on the Progress of Share Repurchase | 2024-11-02 | http://www.cninfo.com.cn |
| 2024-053 | Announcement on Resolution of the 19th Meeting of the 6th Board of Directors | 2024-11-26 | http://www.cninfo.com.cn |
| 2024-054 | Announcement on Resolution of the 14th Meeting of the 6th Board of Supervisors | 2024-11-26 | http://www.cninfo.com.cn |
| 2024-055 | Announcement on Issuance of Performance Guarantee for Subsidiaries | 2024-11-26 | http://www.cninfo.com.cn |
| 2024-056 | Announcement on the Amendment to the Subsidiary’s Capital Increase | 2024-11-26 | http://www.cninfo.com.cn |

| | | | |
|---|---|---|---|
| | and Share Expansion Plan | | |
| 2024-057 | Announcement on the Progress of Share Repurchase | 2024-12-03 | http://www.cninfo.com.cn |
| 2024-058 | Announcement on the Progress of Land Purchase and Investment in Construction Projects | 2024-12-03 | http://www.cninfo.com.cn |
| 2024-059 | Announcement on Resolution of the 20th Meeting of the 6th Board of Directors | 2024-12-17 | http://www.cninfo.com.cn |
| 2024-060 | Announcement on the Extension of Phase 2 Employee Share Ownership Plan | 2024-12-17 | http://www.cninfo.com.cn |

## XVII. Major matters of the Company's subsidiaries

☑ Applicable □ Not applicable

1. On March 4, 2024, the 17th meeting of the 6th Board of Directors' Strategy and ESG Committee reviewed and approved the *Proposal on Acquiring 100% Equity of GRAND VANTAGE Global Verification Co., Ltd.*, agreeing that the Company's sub-subsidiary, Taiwan CTI Testing Technology Co., Ltd., acquire 100% equity of GRAND VANTAGE GLOBAL VERIFICATION LIMITED.

2. On April 17, 2024, the 18th meeting of the 6th Board of Directors' Strategy and ESG Committee reviewed and approved the *Proposal on the Further Acquisition of 20% Equity in Haotu Enterprise Management Consulting (Shanghai) Co., Ltd*. The Company acquired 20% equity of Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. (hereinafter referred to as "Haotu" or the "Target Company") in November 2016, and further acquired 40% equity of Haotu in December 2020, with future equity acquisition arrangements agreed upon in the agreement. Haotu has been well integrated. After review, all committee members unanimously agreed to proceed with the acquisition of an additional 20% equity of Haotu.

3. On May 27, 2024, the 19th meeting of the 6th Board of Directors' Strategy and ESG Committee reviewed and approved the *Proposal on Acquiring 100% Equity of Naias*. After review, all members unanimously agreed to the company's acquisition of 100% equity of Naias. Naias is a private testing company specializing in fuel, lubricant, and water quality testing, while also providing ship inspection services. It enjoys high recognition in Greece and Cyprus and is one of the market leaders, offering high-quality testing services to over 1,800 ocean-going vessels worldwide. This acquisition will help enhance the Company's influence in Europe and provide clients with competitive products/services.

4. On September 11, 2024, the 23rd meeting of the 6th Board of Directors' Strategy and ESG Committee reviewed and approved the *Proposal on Acquiring Microtek Equity*. After review, all committee members unanimously agreed to the Company's acquisition of a 51% equity stake indirectly held by the actual controller of Microtek (Changzhou) Product Service Co., Ltd. (hereinafter referred to as "Microtek"). Microtek holds significant domestic and international influence in the PCB field and is a leading enterprise in this niche industry. Acquiring Microtek's equity can further substantially expand CTI's influence in this niche field, enhance CTI's industry reputation, and achieve complementary advantages in regions, channels, client bases, and capabilities in the future.

# Section 7 Share Changes and Shareholder Information

## I. Changes in shares

### 1. Changes in shares

Unit: Share

| | Before this change | | This increase or decrease (+, -) of this change | | | | | After this change | |
|---|---|---|---|---|---|---|---|---|---|
| | Quantity | Proportion | New share issuance | Share dividend | Conversion of provident fund shares | Others | Subtotal | Quantity | Proportion |
| I. Shares with selling restrictions | 251,058,526 | 14.92% | | | | | | 251,058,526 | 14.92% |
| 1. Shareholding by the State | | | | | | | | | |
| 2. Shareholding by state-owned legal person | | | | | | | | | |
| 3. Shareholding by other investments | 251,058,526 | 14.92% | | | | | | 251,058,526 | 14.92% |
| Including: Shareholding by domestic legal person | | | | | | | | | |
| Shareholding by domestic natural person | 251,058,526 | 14.92% | | | | | | 251,058,526 | 14.92% |
| 4. Foreign shareholding | | | | | | | | | |
| Including: Shareholding by foreign legal person | | | | | | | | | |
| Shareholding by foreign natural person | | | | | | | | | |
| II. Shares without selling restrictions | 1,431,769,688 | 85.08% | | | | | | 1,431,769,688 | 85.08% |
| 1. CNY ordinary shares | 1,431,769,688 | 85.08% | | | | | | 1,431,769,688 | 85.08% |
| 2. Domestic-invested shares listed in China | | | | | | | | | |
| 3. Foreign-invested shares listed outside China | | | | | | | | | |
| 4. Others | | | | | | | | | |
| III. Total number of shares | 1,682,828,214 | 100.00% | | | | | | 1,682,828,214 | 100.00% |

Reasons for share changes

□ Applicable ☑ Not applicable

Approval of share changes

□ Applicable ☑ Not applicable

Transfer status of changes in shares

□ Applicable ☑ Not applicable

The impact of share changes on financial indicators such as basic and diluted earnings per share for the last year and period, and net assets per share attributable to the Company's ordinary shareholders

☑ Applicable □ Not applicable

During the reporting period, share repurchases had a slight impact on financial indicators such as earnings per share and net assets per share. Considering the above factors, in 2023, the basic earnings per share were CNY 0.5421/share, the diluted earnings per share were CNY 0.5421/share, and the net assets per share attributable to shareholders of the listed company were CNY 3.6829/share. In 2024, the basic earnings per share were CNY 0.5500/share, the diluted earnings per share were CNY 0.5500/share, and the net assets per share attributable to the shareholders of the listed company were CNY 4.1308/share.

Other content that the Company deems necessary or required to be disclosed by securities regulatory authorities

□ Applicable ☑ Not applicable

## 2. Changes in shares with selling restriction

☑ Applicable □ Not applicable

Unit: Share

| Shareholder name | Number of shares with selling restriction at the beginning of the period | The number of shares with selling restriction increased in the current period | Number of shares released from selling restriction in the current period | Number of shares with selling restriction at the end of the period | Reasons for selling restriction | Release date of selling restriction |
|---|---|---|---|---|---|---|
| Wan Feng | 188,501,905 | | | 188,501,905 | Locking of shareholdings of directors, supervisors and executives | During the tenure, the number of shares that can be listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Shentu Xianzhong | 7,012,500 | | | 7,012,500 | Locking of shareholdings of directors, supervisors and executives | During the tenure, the number of shares that can be listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Qian Feng | 1,599,096 | | | 1,599,096 | Locking of shareholdings of directors, supervisors and executives | During the tenure, the number of shares that can be listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Zhou Lu | 636,000 | | | 636,000 | Locking of shareholdings of directors, | During the tenure, the number of shares that can be |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | supervisors and executives | listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Zeng Xiaohu | 521,250 | | | 521,250 | Locking of shareholdings of directors, supervisors and executives | During the tenure, the number of shares that can be listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Xujiang | 393,750 | | | 393,750 | Locking of shareholdings of directors, supervisors and executives | During the tenure, the number of shares that can be listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Wang Hao | 285,000 | | | 285,000 | Locking of shareholdings of directors, supervisors and executives | During the tenure, the number of shares that can be listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Li Fengyong | 527,400 | | | 527,400 | Locking of shareholdings of directors, supervisors and executives | During the tenure, the number of shares that can be listed and circulated each year is 25% of the total number of shares held at the end of the previous year |
| Yu Cuiping | 51,581,625 | | | 51,581,625 | The shares obtained through divorce will continue to fulfill the locking commitment of the Company's shareholdings during Mr. Wan Feng's tenure | During Mr. Wan Feng's tenure, the annual listed shares in circulation were 25% of the total number of shares held at the end of the previous year |
| Total | 251,058,526 | 0 | 0 | 251,058,526 | -- | -- |

## II. Securities issuance and listing

### 1. Securities issuance (excluding preference shares) during the reporting period

□ Applicable ☑ Not applicable

### 2. Explanation of changes in the Company's total number of shares and shareholder structure, and changes in the Company's asset and liability structure

□ Applicable ☑ Not applicable

### 3. Existing internal employee shares

□ Applicable ☑ Not applicable

## III. Shareholders and actual controller

### 1. Number of shareholders and shareholding of the Company

Unit: Share

| Total number of ordinary shareholders at the end of the reporting period | 71,991 | Total number of ordinary shareholders at the end of the previous month before the disclosure date of Annual Report | 77,614 | Total number of preferred shareholders (if any) whose voting rights were restored at the end of the reporting period (see Note 9) | 0 | The total number of preferred shareholders (if any) whose voting rights were restored at the end of the month before the disclosure date of Annual Report (see Note 9) | 0 | Total number of shareholders holding shares with special voting rights (if any) | 0 |
|---|---|---|---|---|---|---|---|---|---|

| Shareholding by shareholders holding more than 5% or the top 10 shareholders (excluding shares lent through refinancing) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Shareholder name | Nature of shareholders | Shareholding ratio | Number of shares held at the end of the reporting period | Variance during the reporting period | Number of shares held with selling restrictions | Number of shares held without selling restrictions | Pledging, marking or freezing | |
| | | | | | | | Share status | Quantity |
| Wan Feng | Domestic natural persons | 14.94% | 251,335,874 | 0 | 188,501,905 | 62,833,969 | Not applicable | 0 |
| Hong Kong Securities Clearing Company Ltd. | Overseas legal person | 11.95% | 201,101,791 | -10,407,971 | 0 | 201,101,791 | Not applicable | 0 |
| Yu Cuiping | Domestic natural persons | 4.09% | 68,775,500 | 0 | 51,581,625 | 17,193,875 | Not applicable | 0 |
| Industrial and Commercial Bank of China Limited - E Fund China Growth Enterprise Market Exchange | Others | 2.30% | 38,664,693 | 17,655,644 | 0 | 38,664,693 | Not applicable | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Traded Open-ended Index Securities Investment Fund | | | | | | | | |
| MORGAN STANLEY & CO. INTERNATIONAL PLC. | Overseas legal person | 1.75% | 29,506,058 | -3,781,515 | 0 | 29,506,058 | Not applicable | 0 |
| Agricultural Bank of China Co., Ltd. - Harvest Emerging Industries Equity Securities Investment Fund | Others | 1.72% | 28,893,663 | -6,513,400 | 0 | 28,893,663 | Not applicable | 0 |
| Agricultural Bank of China Limited - China Securities 500 Exchange-Traded Open-ended Index Securities Investment Fund | Others | 1.40% | 23,559,300 | 14,367,600 | 0 | 23,559,300 | Not applicable | 0 |
| Agricultural Bank of China Co., Ltd. - Harvest Core Growth Hybrid Securities Investment Fund | Others | 1.38% | 23,191,447 | -6,127,600 | 0 | 23,191,447 | Not applicable | 0 |
| Goldman Sachs & Co. LLC | Overseas legal person | 1.20% | 20,140,348 | 2,030,160 | 0 | 20,140,348 | Not applicable | 0 |
| Industrial and Commercial Bank of China - Guangfa Steady | Others | 1.07% | 18,000,000 | -6,000,000 | 0 | 18,000,000 | Not applicable | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Growth Securities Investment Fund | | | | | | | | |

| | |
|---|---|
| The situation in which strategic investors or general legal persons become top 10 shareholders as a result of new shares placement (if any) (see Note 4) | Not applicable |
| Explanation of the above shareholders' related relationships or concerted actions | Mr. Wan Feng is the Company's actual controller. Ms. Yu Cuiping is Mr. Wan Feng's ex-wife. She voluntarily and gratuitously entrusted Mr. Wan Feng to exercise her corresponding voting rights she obtained through divorce. The Company does not know whether other shareholders have an association or a concerted action relationship. |
| Explanation of the circumstances in which the above shareholders involved in the entrustment and waiver of voting rights | Ms. Yu Cuiping is Mr. Wan Feng's ex-wife. She voluntarily and gratuitously entrusted Mr. Wan Feng to exercise her corresponding voting rights she obtained through divorce. |
| Special explanation of the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 10) | Not applicable |

Top 10 Shareholders with Unrestricted Shares (Excluding Shares Lent via Securities Lending and Executive Lock-up Shares)

| Shareholder name | The number of shares without selling restrictions held at the end of the reporting period | Share type | |
|---|---|---|---|
| | | Share type | Quantity |
| Hong Kong Securities Clearing Company Ltd. | 201,101,791 | CNY ordinary shares | 201,101,791 |
| Wan Feng | 62,833,969 | CNY ordinary shares | 62,833,969 |
| Industrial and Commercial Bank of China Limited - E Fund China Growth Enterprise Market Exchange Traded Open-ended Index Securities Investment Fund | 38,664,693 | CNY ordinary shares | 38,664,693 |
| MORGAN STANLEY & CO. INTERNATIONAL PLC. | 29,506,058 | CNY ordinary shares | 29,506,058 |
| Agricultural Bank of China Co., Ltd. - Harvest Emerging Industries Equity Securities Investment Fund | 28,893,663 | CNY ordinary shares | 28,893,663 |
| Agricultural Bank of China Limited - China Securities 500 Exchange-Traded Open-ended Index Securities Investment Fund | 23,559,300 | CNY ordinary shares | 23,559,300 |
| Agricultural Bank of China Co., Ltd. - Harvest Core Growth Hybrid Securities | 23,191,447 | CNY ordinary shares | 23,191,447 |

| | | | |
|---|---|---|---|
| Investment Fund | | | |
| Goldman Sachs & Co. LLC | 20,140,348 | CNY ordinary shares | 20,140,348 |
| Industrial and Commercial Bank of China - Guangfa Steady Growth Securities Investment Fund | 18,000,000 | CNY ordinary shares | 18,000,000 |
| First Sentier Investors (UK) Limited - FSSA China Growth Fund | 17,468,300 | CNY ordinary shares | 17,468,300 |
| Description of the relationship or concerted action between the top 10 unrestricted float shareholders and the top 10 unrestricted float shareholders and the top 10 shareholders | Mr. Wan Feng is the Company's actual controller. The Company does not know whether other shareholders have an association or a concerted action relationship. | | |
| Description of shareholders participating in margin trading and securities lending business (if any) (see Note 5) | None | | |

Shareholders Holding More Than 5%, Top 10 Shareholders, and Top 10 Unrestricted Shareholders Participating in Securities Lending Business

□ Applicable ☑ Not applicable

Changes in Top 10 Shareholders and Top 10 Unrestricted Shareholders Due to Securities Lending/Return Compared to the Previous Period

□ Applicable ☑ Not applicable

Whether the Company has arrangements in which the Company has differences in voting rights

□ Applicable ☑ Not applicable

Whether the Company's top 10 ordinary shareholders and the top 10 ordinary shareholders without selling restrictions conducted agreed repurchase transactions during the reporting period

□ Yes ☑ No

The Company's top 10 ordinary shareholders and the top 10 ordinary shareholders without selling restrictions did not conduct agreed repurchase transactions during the reporting period.

## 2. Information on the Company's holding shareholder

Nature of holding shareholder: Controlled by natural person

Type of holding shareholder: Natural person

| Name of holding shareholder | Nationality | Whether to obtain the right of residence in other countries |
|---|---|---|
| Wan Feng | China | No |
| Main occupation and position | Mr. Wan Feng participated in the preparation of CTI in 2003 and has been the Chairman of Board of Directors since August 2007; re-elected in August 2010, August 2013, August 2016, December 2019 and January 2023. | |
| Equity of other domestic and overseas listed companies held and invested during the reporting period | None | |

Changes in holding shareholders during the reporting period

□ Applicable ☑ Not applicable

There was no change in the Company's holding shareholder during the reporting period.

## 3. The Company's actual controller and its persons acting in concert

Nature of actual controller: Domestic natural persons

Type of actual controller: Natural person

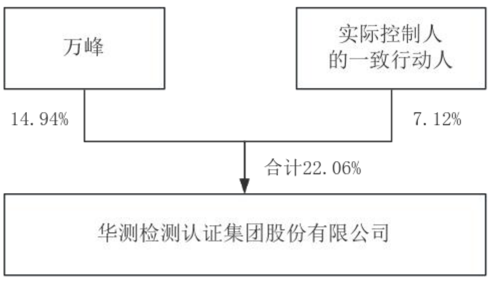
| Name of actual controller | Relationship with actual controller | Nationality | Whether to obtain the right of residence in other countries |
|---|---|---|---|
| Wan Feng | Himself | China | No |
| Main occupation and position | Mr. Wan Feng participated in the preparation of CTI in 2003 and has been the Chairman of Board of Directors since August 2007; re-elected in August 2010, August 2013, August 2016, December 2019 and January 2023. | | |
| Domestic and foreign listed companies that have been held in the past decade | None. | | |

Change in actual controller during the reporting period

□ Applicable ☑ Not applicable

There was no change in the Company's actual controller during the reporting period.

Block diagram of the ownership and control relationship between the Company and its actual controller




Note: 1. Mr. Wan Lipeng is the father of Mr. Wan Feng and directly holds 6,800,000 shares of the Company; Mr. Wan Feng holds a total of 38,040,810 shares of the Company through Bosera Asset Management Plan/Xuan Yuan Private Securities Investment Fund Products totally, and Mr. Wan Feng and Mr. Wan Lipeng hold 6,231,700 shares of the Company through Bochuang 21 Pooled Asset Management Plan, and Mr. Wan Feng/Mr. Wan Lipeng have signed a concerted action agreement with the above asset management plan/private equity fund products. Mr. Wan Feng/Mr. Wan Lipeng have signed a concerted action agreement with the above asset management plan/private equity fund product. 2. Ms. Yu Cuiping is Mr. Wan Feng's ex-wife. She voluntarily and gratuitously entrusted Mr. Wan Feng to exercise her voting rights corresponding to the 68,775,500 shares she obtained through divorce. The Company's actual controller, Mr. Wan Feng, and persons acting in concert hold a total of 371,183,884 shares of the Company, accounting for 22.06%.

The actual controller controls the Company through trust or other asset management methods

□ Applicable ☑ Not applicable

## 4. The total number of shares pledged by the Company's holding shareholder or largest shareholder and its persons acting in concert accounts for 80% of the total number of shares held by them

□ Applicable ☑ Not applicable

## 5. Other corporate shareholders holding more than 10% of the shares

□ Applicable ☑ Not applicable

**6. Restrictions on shareholding reduction by holding shareholders, actual controller, restructuring parties and other commitment entities**

□ Applicable ☑ Not applicable

## IV. Specific implementation of share repurchase during the reporting period

Implementation progress of share repurchase

☑ Applicable □ Not applicable

| Plan disclosed on | Number of shares to be repurchased (shares) | Proportion of total share capital | Amount to be repurchased (CNY 10,000) | Period to be repurchased | Repurchase purpose | Number of shares repurchased (shares) | Proportion of repurchased shares to underlying shares involved in the equity incentive plan (if any) |
|---|---|---|---|---|---|---|---|
| May 16, 2023 | 3000000-5000000 | 0.18%-0.30% | No more than 12,500 | May 16, 2023 - May 15, 2024 | For the implementation of equity incentives or Employee Share Ownership Plan | 5,000,000 | |
| July 3, 2024 | 2000000~3000000 | 0.12%-0.18% | No more than 5,049 | July 3, 2024 - July 2, 2025 | For the implementation of equity incentives or Employee Share Ownership Plan | 1,400,000 | |

As of the disclosure date, the cumulative number of shares repurchased under the third-phase share repurchase plan was 1,747,400 shares, with a total transaction amount of CNY 19,214,100.

Progress of the implementation of share repurchase through centralized bidding transactions

□ Applicable ☑ Not applicable

# Section 8 Preferred Share Information

□ Applicable ☑ Not applicable

The Company had no preferred shares during the reporting period.

# Section 9 Bond Information

□ Applicable ☑ Not applicable

# Section 10 Financial Statements

## I. Audit report

| | |
|---|---|
| Type of audit opinion | Unqualified opinion |
| Signing date of audit report | April 16, 2025 |
| Name of audit institution | Beijing Dehao International Certified Public Accountants (Special General Partnership) |
| Name of CPA | Zhou Junxiang and Huang Jialin |

Text of Audit Report

**All shareholders of Centre Testing International Group Co., Ltd.:**

**I. Audit opinion**

We audited the financial statements of Centre Testing International Group Co., Ltd. (hereinafter referred to as CTI), including the consolidated and parent company balance sheets as at December 31, 2024, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, and the consolidated and parent company change statements in stockholders' equities for 2024, and the related notes to financial statements.

We believe that the attached financial statements are prepared in accordance with the provisions of the Accounting Standards for Business Enterprises in all material respects and fairly reflect the consolidated and parent company financial position of CTI as at December 31, 2024, and the consolidated and parent company operating results and cash flows for 2024.

**II. Basis for opinion**

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CTI in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**III. Key audit matters**

Key audit matters are matters that we, based on our professional judgment, consider to be most important in the audit of the current period's financial statements. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinions. We do not express opinions on these matters individually.

We determine that the following matters are key audit matters that need to be communicated in the audit report.

1. Income recognition

2. Goodwill impairment

(I) Income recognition

1. Matter description

Refer to Note V - Significant Accounting Policies and Accounting Estimates (XXXVII) “Revenue” and Note VII - Explanatory Note 60 “Operating Revenue and Operating Cost”. The main business of CTI is testing, and the characteristics of the industry dictate that the testing industry is a fragmented market with very dispersed clients and a large volume of business, and operating revenue is a key performance indicator, and there is an inherent risk that the management will manipulate the income recognition in order to achieve a specific goal or satisfy an expectation, and we identify CTI’s income recognition as a key audit matter.

2. Audit response

The important audit procedures we perform on income recognition include:

(1) Understand the key internal controls related to income recognition, evaluate the design of these controls, determine whether they are implemented, and test the operating effectiveness of relevant internal controls;

(2) Understand whether there are any major changes in the processes related to sales business and income recognition principles compared with previous years;

(3) Existence test: Obtain sales details, select samples from the sales details, and spot check income-related contracts, orders, case details, test reports, invoices, receipts, settlement sheets, completion sheets, and other materials;

(4) Integrity test: From the product line income ledger, select samples and check income-related contracts, orders, project details, test reports, invoices, receipts, settlement statements, completion orders, accounting records and other information;

(5) Confirm the accounts receivable and income amounts of major clients during the reporting period, find out the reasons for discrepancies in the replies, and conduct alternative tests for clients who have not replied. Pay attention to the payment after the period;

(6) Compare the income of each product line in the current period with that of the previous period by product line. For the main product lines with income growth in the current period, analyze whether the significant income growth is reasonable.

(7) Conduct an income cut-off test to check whether the income spans multiple periods;

(8) Conduct background checks on major clients of the current period to check whether they are related parties;

(9) Compare and analyze the sales fluctuations of each month to check whether there are any abnormalities. Analyze changes in gross profit margin and compare with listed companies in the same industry.

(II) Goodwill impairment

1. Matter description

Refer to Note V - Significant Accounting Policies and Accounting Estimates (XXX) “Impairment of Long-lived Assets” and Note VII - Explanatory Note 27 “Goodwill”. Due to the importance of goodwill to the consolidated financial statements, significant management judgment and estimates are involved in determining whether impairment should be made, especially in forecasting future cash flows, including key assumptions made in forecasting income, long-term average growth rates and profit margins, and determining appropriate discount rates. These key assumptions are inherently uncertain and may be affected by management bias. Therefore, we identified the assessment of goodwill impairment in the consolidated financial statements as a key audit matter.

2. Audit response

The important audit procedures we perform for goodwill impairment include:

(1) Understand, assess and test internal controls related to CTI's goodwill;

(2) Based on our understanding of the business of CTI and provisions of the Accounting Standards for Business Enterprises, review the management's identification of each asset and asset group and how to allocate goodwill to each asset group;

(3) Evaluate the competency of the valuation specialists, utilize the work of the valuation specialists, and discuss with the specialists the methodology and assumptions to be used in projecting the present value of future cash flows based on the requirements of the Accounting Standards for Business Enterprises;

(4) Review the assumptions and key judgments used by management in projecting the present value of future cash flows by comparing key parameters, including projected incomes, long-term average growth rates and profit margins, with the past performance of the relevant subsidiaries, financial budgets approved by the Board of Directors, recent reports on business opportunities, industry research reports and industry statistics;

(5) Recalculate the discount rate based on market data from comparable companies in the same industry and reviewed our calculations with the discount rate used by management in calculating the present value of the projected future cash flows by comparing our calculations with the discount rate used by management in calculating the present value of the projected future cash flows;

(6) Conduct sensitivity analysis on key assumptions such as forecast income and discount rate adopted to evaluate the impact of changes in key assumptions on the impairment assessment results and consider whether there is any sign of management bias in the selection of key assumptions.

**IV. Other information**

The management of CTI is responsible for other information. Other information includes the information covered in the 2024 Annual Report, but does not include the financial statements and our auditors' report thereon.

Our audit opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we determine that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**V. Responsibility of management and those charged with governance for financial statements**

Management of CTI is responsible for the preparation and fair presentation of these financial statements in accordance with the *Accounting Standards for Business Enterprises*, and for such necessary internal control as management designs, executes and maintains in order to keep the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing financial statements, the management of CTI is responsible for assessing CTI's ability to continue as a going concern, disclosing matters related to going concern, as applicable, and applying the going concern assumptions, unless management plans to liquidate CTI, terminate its operations, or has no other realistic alternative.

Those charged with governance is responsible for supervising CTI's financial reporting process.

**VI. Auditor's responsibilities for the audit of financial statements**

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit, in order to design appropriate audit procedures.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting. And based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on CTI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the auditing standards to draw attention to the users of these financial statements in our audit report to the related disclosures in these financial statements or, if such disclosures are insufficient, we should issue non-unqualified opinions Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause CTI to be unable to continue as a going concern.

5. Evaluate the overall presentation, structure and content of financial statements, and whether the financial statements fairly present the underlying transactions and events in a manner.

6. Obtain sufficient and appropriate audit evidence for the financial information of entities or business activities in CTI to express opinions on the financial statements. We are responsible for directing, supervising and performing group audits and take full responsibility for our audit opinions.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control requiring attention that we identify during our audit.

We also provide statements to those charged with governance that we have complied with ethical requirements related to independence and communicate with those charged with governance all relationships and other matters that may reasonably be considered to affect our independence, and related safeguards, if applicable.

From the matters communicated with those charged with governance, we determine which matters are most significant to the audit of the current period's financial statements and therefore constitute key audit matters. We describe these matters in our audit report except where public disclosure of the matters is prohibited by law or regulation or, in rare instances, where we determine that a matter should not be communicated in the audit report if it is reasonably anticipated that the negative consequences of communicating the matter in the audit report would outweigh the benefits in terms of public interest that would result.

Beijing Dehao International Certified Public Accountants (Special General Partnership)

Chinese CPA:

(Program Partner) Zhou Junxiang

Beijing, China

Chinese CPA:

Huang Jialin

April 16, 2025

## II. Financial statements

The unit of financial statements in financial notes is: CNY

### 1. Consolidated balance sheet

Prepared by: Centre Testing International Group Co., Ltd.

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | 882,727,579.22 | 1,450,683,775.30 |
| Deposit reservation for balance | | |
| Lending funds | | |
| Financial assets at fair value through profit or loss | 443,026,438.36 | |
| Derivative financial assets | | |
| Notes receivable | 24,062,986.59 | 19,493,332.33 |
| Accounts receivable | 1,980,208,076.51 | 1,585,859,420.53 |
| Receivables financing | | |
| Prepayments | 32,441,659.06 | 37,118,301.81 |
| Premiums receivable | | |
| Reinsurance accounts receivable | | |
| Provision of cession receivable | | |
| Other receivables | 103,247,564.07 | 66,484,207.95 |
| Including: Interests receivable | 0.00 | 0.00 |
| Dividends receivable | 0.00 | 0.00 |
| Redemptory financial assets for sale | 0.00 | 0.00 |
| Inventories | 100,567,954.67 | 98,620,856.31 |
| Including: Data resources | | |
| Contract assets | 257,887,396.24 | 182,590,697.23 |
| Assets held for sale | 0.00 | 0.00 |

| | | |
|---|---|---|
| Non-current assets due within one year | 0.00 | 0.00 |
| Other current assets | 402,795,137.56 | 489,629,907.12 |
| Total current assets | 4,226,964,792.28 | 3,930,480,498.58 |
| Non-current assets: | | |
| Loans and advances | | |
| Debt investment | | |
| Other debt investments | | |
| Long-term receivables | | |
| Long-term equity investments | 364,772,927.66 | 336,105,175.17 |
| Other equity instrument investments | | |
| Other non-current financial assets | 15,486,543.73 | 41,317,524.79 |
| Investment real estate | 30,649,324.99 | 31,516,324.02 |
| Fixed assets | 2,646,225,977.26 | 2,424,113,735.05 |
| Construction in progress | 102,140,783.53 | 213,857,614.03 |
| Productive biological assets | | |
| Oil and gas assets | | |
| Right-of-use assets | 318,417,593.43 | 345,336,380.41 |
| Intangible assets | 186,019,761.77 | 165,593,699.13 |
| Including: Data resources | | |
| Development expenditure | | |
| Including: Data resources | | |
| Goodwill | 1,078,671,947.55 | 805,193,019.25 |
| Long-term prepaid expenses | 127,492,711.04 | 135,083,776.38 |
| Deferred tax assets | 208,482,896.13 | 172,173,890.27 |
| Other non-current assets | 147,278,820.49 | 148,342,457.42 |
| Total non-current assets | 5,225,639,287.58 | 4,818,633,595.92 |
| Total assets | 9,452,604,079.86 | 8,749,114,094.50 |
| Current liabilities: | | |
| Short-term borrowings | 2,002,016.65 | 7,604,012.07 |
| Borrowing from the central bank | | |
| Borrowing funds | | |
| Trading financial liabilities | 981,621.78 | 1,900,000.00 |
| Derivative financial liabilities | | |
| Notes payable | 3,690,516.92 | 51,023.62 |
| Accounts payable | 818,418,320.02 | 883,396,491.10 |
| Advance amount | | |
| Contract liabilities | 127,048,211.65 | 100,802,137.29 |
| Financial assets sold and repurchased | | |
| Deposits from clients and interbank | | |
| Agent for purchasing and selling securities | | |
| Agent for underwriting securities funds | | |
| Salaries payable | 484,577,317.12 | 472,128,804.44 |

| | | |
|---|---|---|
| Taxes payable | 78,629,791.53 | 78,403,472.27 |
| Other payables | 170,793,342.08 | 179,520,253.62 |
| Including: Interests payable | | |
| Dividends payable | 631,042.91 | 31,042.91 |
| Handling fees and commissions payable | | |
| Reinsurance accounts payable | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 114,646,152.94 | 107,805,572.78 |
| Other current liabilities | 3,371,893.02 | 2,557,798.16 |
| Total current liabilities | 1,804,159,183.71 | 1,834,169,565.35 |
| Non-current liabilities: | | |
| Insurance contract reserve | 0.00 | 0.00 |
| Long-term borrowings | 9,783,815.87 | 7,293,781.33 |
| Bonds payable | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 230,723,734.67 | 260,007,551.47 |
| Long-term payable | | |
| Long-term salaries payable | | |
| Accrued liabilities | 5,053,239.99 | 4,653,507.93 |
| Deferred income | 73,585,257.03 | 79,355,640.69 |
| Deferred tax liabilities | 168,445,167.89 | 144,437,851.32 |
| Other non-current liabilities | | |
| Total non-current liabilities | 487,591,215.45 | 495,748,332.74 |
| Total liabilities | 2,291,750,399.16 | 2,329,917,898.09 |
| Owners' equity: | | |
| Share capital | 1,682,828,214.00 | 1,682,828,214.00 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserves | 414,245,301.53 | 427,227,469.01 |
| Less: Treasury stock | 147,847,373.19 | 119,295,717.30 |
| Other comprehensive incomes | 15,564,473.23 | 19,577,146.90 |
| Special reserves | | |
| Surplus reserve | 399,215,371.44 | 350,040,439.28 |
| General risk reserve | | |
| Retained earnings | 4,549,382,906.01 | 3,844,967,551.01 |
| Total equities attributable to owners of the parent company | 6,913,388,893.02 | 6,205,345,102.90 |
| Minority shareholders' interests | 247,464,787.68 | 213,851,093.51 |
| Total owners' equity | 7,160,853,680.70 | 6,419,196,196.41 |
| Total liabilities and owners' equities | 9,452,604,079.86 | 8,749,114,094.50 |

Legal representative: Wan Feng Accounting head: Wang Hao Accounting organizer: Li Yanhong

## 2. Balance sheet of the parent company

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | 305,260,022.66 | 840,664,260.80 |
| Financial assets at fair value through profit or loss | 400,000,000.00 | 0.00 |
| Derivative financial assets | 0.00 | |
| Notes receivable | 1,474,768.45 | 861,252.94 |
| Accounts receivable | 463,668,638.02 | 402,648,869.92 |
| Receivables financing | 0.00 | |
| Prepayments | 8,058,686.71 | 2,447,473.79 |
| Other receivables | 768,898,241.88 | 756,280,298.97 |
| Including: Interests receivable | 0.00 | 0.00 |
| Dividends receivable | 276,168,721.25 | 256,468,721.25 |
| Inventories | 5,022,087.41 | 3,923,317.49 |
| Including: Data resources | | |
| Contract assets | 38,887,727.92 | 25,637,731.12 |
| Assets held for sale | 0.00 | |
| Non-current assets due within one year | 0.00 | |
| Other current assets | 288,427,314.73 | 384,460,483.29 |
| Total current assets | 2,279,697,487.78 | 2,416,923,688.32 |
| Non-current assets: | | |
| Debt investment | 0.00 | 0.00 |
| Other debt investments | 0.00 | 0.00 |
| Long-term receivables | 0.00 | 0.00 |
| Long-term equity investments | 3,802,928,091.71 | 3,288,360,591.81 |
| Other equity instrument investments | 0.00 | 0.00 |
| Other non-current financial assets | 0.00 | 25,830,981.06 |
| Investment real estate | 48,154,769.66 | 49,360,473.98 |
| Fixed assets | 303,876,308.63 | 240,794,353.01 |
| Construction in progress | 7,466,864.30 | 29,093,247.45 |
| Productive biological assets | 0.00 | 0.00 |
| Oil and gas assets | 0.00 | 0.00 |
| Right-of-use assets | 56,389,089.79 | 40,613,084.67 |
| Intangible assets | 43,093,343.10 | 26,077,991.98 |
| Including: Data resources | | |
| Development expenditure | 0.00 | 0.00 |
| Including: Data resources | | |
| Goodwill | 0.00 | 0.00 |
| Long-term prepaid expenses | 6,267,342.11 | 7,093,354.63 |
| Deferred tax assets | 18,369,788.28 | 13,863,176.58 |
| Other non-current assets | 11,899,721.01 | 6,866,833.00 |
| Total non-current assets | 4,298,445,318.59 | 3,727,954,088.17 |
| Total assets | 6,578,142,806.37 | 6,144,877,776.49 |

| | | |
|---|---|---|
| Current liabilities: | | |
| Short-term borrowings | 0.00 | 0.00 |
| Trading financial liabilities | 0.00 | 1,900,000.00 |
| Derivative financial liabilities | 0.00 | 0.00 |
| Notes payable | 0.00 | 0.00 |
| Accounts payable | 196,400,529.60 | 205,031,540.82 |
| Advance amount | 0.00 | 0.00 |
| Contract liabilities | 25,194,272.39 | 18,992,763.88 |
| Salaries payable | 95,146,211.26 | 101,120,004.25 |
| Taxes payable | 2,764,739.35 | 10,907,143.36 |
| Other payables | 1,271,205,400.00 | 1,142,197,585.31 |
| Including: Interests payable | 0.00 | 0.00 |
| Dividends payable | 31,042.91 | 31,042.91 |
| Liabilities held for sale | 0.00 | 0.00 |
| Non-current liabilities due within one year | 16,472,125.40 | 16,125,291.45 |
| Other current liabilities | 418,923.80 | 427,220.24 |
| Total current liabilities | 1,607,602,201.80 | 1,496,701,549.31 |
| Non-current liabilities: | | |
| Long-term borrowings | 0.00 | 0.00 |
| Bonds payable | 0.00 | 0.00 |
| Including: Preferred shares | 0.00 | 0.00 |
| Perpetual bonds | 0.00 | 0.00 |
| Lease liabilities | 44,841,311.50 | 28,878,515.24 |
| Long-term payable | 0.00 | 0.00 |
| Long-term salaries payable | 0.00 | 0.00 |
| Accrued liabilities | 0.00 | 0.00 |
| Deferred income | 24,167,129.62 | 21,055,764.62 |
| Deferred tax liabilities | 29,558,408.21 | 21,983,036.35 |
| Other non-current liabilities | 0.00 | 0.00 |
| Total non-current liabilities | 98,566,849.33 | 71,917,316.21 |
| Total liabilities | 1,706,169,051.13 | 1,568,618,865.52 |
| Owners' equity: | | |
| Share capital | 1,682,828,214.00 | 1,682,828,214.00 |
| Other equity instruments | 0.00 | 0.00 |
| Including: Preferred shares | 0.00 | 0.00 |
| Perpetual bonds | 0.00 | 0.00 |
| Capital reserves | 284,792,822.45 | 284,792,822.45 |
| Less: Treasury stock | 147,847,373.19 | 119,295,717.30 |
| Other comprehensive incomes | 0.00 | 0.00 |
| Special reserves | 0.00 | 0.00 |
| Surplus reserve | 397,837,179.95 | 348,662,247.79 |
| Retained earnings | 2,654,362,912.03 | 2,379,271,344.03 |
| Total owners' equity | 4,871,973,755.24 | 4,576,258,910.97 |
| Total liabilities and owners' equities | 6,578,142,806.37 | 6,144,877,776.49 |

### 3. Consolidated income statement

Unit: CNY

| Items | 2024 | 2023 |
|---|---|---|
| I. Total operating revenues | 6,084,016,542.19 | 5,604,624,525.83 |
| Including: Operating revenue | 6,084,016,542.19 | 5,604,624,525.83 |
| Interest income | | |
| Premiums earned | | |
| Handling fees and commission incomes | | |
| II. Total operating costs | 5,056,431,437.22 | 4,720,928,476.81 |
| Including: Operating cost | 3,074,174,694.16 | 2,911,286,861.23 |
| Interest expense | | |
| Handling fees and commission expenditure | | |
| Surrender value | | |
| Net compensation expenditure | | |
| Net withdrawal of insurance liability contract reserve | | |
| Bond insurance expenditure | | |
| Reinsurance cost | | |
| Taxes and surcharges | 38,160,462.60 | 33,401,941.08 |
| Selling expenses | 1,040,365,650.38 | 960,781,075.35 |
| General and administrative expenses | 370,423,438.51 | 343,585,672.73 |
| R&D expenses | 529,292,294.38 | 472,621,671.34 |
| Finance costs | 4,014,897.19 | -748,744.92 |
| Including: Interest cost | 15,962,633.30 | 17,502,707.77 |
| Interest income | 11,692,322.17 | 21,438,962.41 |
| Add: Other income | 50,415,470.31 | 92,921,518.51 |
| Investment income (loss is indicated with the mark “-”) | 46,254,662.69 | 71,152,843.60 |
| Including: Investment income in associated businesses and joint ventures | 42,246,274.46 | 39,909,802.98 |
| Profit from derecognition of financial assets measured at amortized cost | | |
| Exchange gain (loss is indicated with the mark “-”) | | |
| Net exposure hedging income (loss is indicated with the mark “-”) | | |
| Profit from changes in fair value (loss is indicated with the mark “-”) | 1,574,118.49 | 14,989,282.10 |
| Credit impairment losses (loss is | -85,382,234.73 | -47,382,531.70 |

| | | |
|---|---|---|
| indicated with the mark "-") | | |
| Asset impairment losses (loss is indicated with the mark "-") | -33,855,291.50 | -9,715,938.37 |
| Gain on disposal of assets (loss is indicated with the mark "-") | 12,019,761.85 | 1,827,122.56 |
| III. Operating profit (loss is indicated with the mark "-") | 1,018,611,592.08 | 1,007,488,345.72 |
| Add: Non-operating revenue | 6,444,325.43 | 10,726,885.97 |
| Less: Non-operating expenditure | 5,695,352.07 | 6,912,589.78 |
| IV. Total profit (total loss is indicated with the mark "-") | 1,019,360,565.44 | 1,011,302,641.91 |
| Less: Income tax expense | 86,472,547.13 | 84,105,657.40 |
| V. Net profit (net loss is indicated with the mark "-") | 932,888,018.31 | 927,196,984.51 |
| (I) Classification according to business continuity | | |
| 1. Net profit from continued operations (net loss is indicated with the mark "-") | 932,888,018.31 | 927,196,984.51 |
| 2. Net profit from discontinued operations (net loss is indicated with the mark "-") | | |
| (II) Classification by ownership | | |
| 1. Net profit attributable to shareholders of the parent company | 921,073,108.56 | 910,203,484.57 |
| 2. Minority shareholders' profit and loss | 11,814,909.75 | 16,993,499.94 |
| VI. Net of tax of other comprehensive income | -4,012,673.67 | 4,433,074.05 |
| Net of tax of other comprehensive incomes attributable to owners of the parent company | -4,012,673.67 | 4,433,074.05 |
| (I) Other comprehensive income that cannot be reclassified into profit or loss | | |
| 1. Remetrology of changes in defined benefit plans | | |
| 2. Other comprehensive income that cannot be transferred to profit or loss using the equity method | | |
| 3. Changes in fair value of other equity instrument investments | | |
| 4. Changes in fair value of the enterprise's own credit risk | | |
| 5. Others | | |
| (II) Other comprehensive incomes reclassified in profit or loss | -4,012,673.67 | 4,433,074.05 |
| 1. Other comprehensive income that can be transferred to profit or loss using the equity method | | |
| 2. Changes in fair value of other debt investments | | |
| 3. Amount of financial assets reclassified and included in other comprehensive income | | |

| | | |
|---|---|---|
| 4. Provision for credit impairment of other debt investments | | |
| 5. Cash flow hedging reserve | | |
| 6. Differences in translation of foreign currency financial statements | -4,012,673.67 | 4,433,074.05 |
| 7. Others | | |
| Net of tax of other comprehensive incomes attributable to minority shareholders | | |
| VII. Total comprehensive incomes | 928,875,344.64 | 931,630,058.56 |
| Total comprehensive incomes attributable to owners of the parent company | 917,060,434.89 | 914,636,558.62 |
| Total comprehensive incomes attributable to minority shareholders | 11,814,909.75 | 16,993,499.94 |
| VIII. Earnings per share | | |
| (I) Basic earnings per share | 0.5500 | 0.5474 |
| (II) Diluted earnings per share | 0.5500 | 0.5474 |

In case of a business combination under common control occurs in the current period, the net profit realized by the merged party before the merger is: CNY, and the net profit realized by the merged party in the previous period is: CNY.

Legal representative: Wan Feng    Accounting head: Wang Hao   Accounting organizer: Li Yanhong

### 4. Income statement of the parent company

| Items | 2024 | 2023 |
|---|---|---|
| I. Operating revenues | 1,352,006,270.14 | 1,262,294,837.03 |
| Less: Operating cost | 713,452,976.14 | 633,686,379.53 |
| Taxes and surcharges | 6,187,139.25 | 6,496,418.38 |
| Selling expenses | 204,455,059.67 | 224,769,152.17 |
| General and administrative expenses | 113,896,414.64 | 112,806,472.52 |
| R&D expenses | 95,697,370.50 | 83,936,767.74 |
| Finance costs | -2,134,267.12 | -8,144,654.49 |
| Including: Interest cost | 5,992,477.16 | 6,858,065.50 |
| Interest income | 5,736,088.55 | 12,206,182.83 |
| Add: Other income | 11,806,791.45 | 27,962,843.08 |
| Investment income (loss is indicated with the mark “-”) | 291,612,169.17 | 541,353,170.68 |
| Including: Investment income in associated businesses and joint ventures | 42,097,065.45 | 40,016,345.16 |
| Profit from derecognition of financial assets measured at amortized cost (loss is indicated with the mark “-”) | | |
| Net exposure hedging income (loss is indicated with the mark “-”) | | |
| Profit from changes in fair value (loss is indicated with the mark “-”) | 1,538,150.00 | 15,074,161.04 |
| Credit impairment losses (loss is indicated with the mark “-”) | -10,367,860.27 | -4,288,862.45 |
| Asset impairment losses (loss is | -697,368.25 | -90,142.08 |

| | | |
|---|---|---|
| indicated with the mark "-") | | |
| Gain on disposal of assets (loss is indicated with the mark "-") | 64,841.57 | 24,885.23 |
| II. Operating profit (loss is indicated with the mark "-") | 514,408,300.73 | 788,780,356.68 |
| Add: Non-operating revenue | 219,323.22 | 479,538.39 |
| Less: Non-operating expenditure | 802,581.68 | 495,956.36 |
| III. Total profit (total loss is indicated with the mark "-") | 513,825,042.27 | 788,763,938.71 |
| Less: Income tax expense | 22,075,720.71 | 30,379,997.64 |
| IV. Net profit (net loss is indicated with the mark "-") | 491,749,321.56 | 758,383,941.07 |
| (I) Net profit from continued operations (net loss is indicated with the mark "-") | 491,749,321.56 | 758,383,941.07 |
| (II) Net profit from discontinued operations (net loss is indicated with the mark "-") | 0.00 | 0.00 |
| **V. Net of tax of other comprehensive incomes** | 0.00 | 0.00 |
| (I) Other comprehensive income that cannot be reclassified into profit or loss | 0.00 | 0.00 |
| 1. Remetrology of changes in defined benefit plans | 0.00 | 0.00 |
| 2. Other comprehensive income that cannot be transferred to profit or loss using the equity method | 0.00 | 0.00 |
| 3. Changes in fair value of other equity instrument investments | 0.00 | 0.00 |
| 4. Changes in fair value of the enterprise's own credit risk | 0.00 | 0.00 |
| 5. Others | 0.00 | 0.00 |
| (II) Other comprehensive incomes reclassified in profit or loss | 0.00 | 0.00 |
| 1. Other comprehensive income that can be transferred to profit or loss using the equity method | 0.00 | 0.00 |
| 2. Changes in fair value of other debt investments | 0.00 | 0.00 |
| 3. Amount of financial assets reclassified and included in other comprehensive income | 0.00 | 0.00 |
| 4. Provision for credit impairment of other debt investments | 0.00 | 0.00 |
| 5. Cash flow hedging reserve | 0.00 | 0.00 |
| 6. Differences in translation of foreign currency financial statements | 0.00 | 0.00 |
| 7. Others | 0.00 | 0.00 |
| **VI. Total comprehensive incomes** | 491,749,321.56 | 758,383,941.07 |
| VII. Earnings per share: | | |
| (I) Basic earnings per share | 0 | 0 |
| (II) Diluted earnings per share | 0 | 0 |

Unit: CNY

## 5. Consolidated cash flow statement

Unit: CNY

| Items | 2024 | 2023 |
|---|---|---|
| I. Cash flows from operating activities: | | |
| Cash received from sales of goods and rendering of services | 5,897,253,666.27 | 5,609,993,603.35 |
| Net increase in client deposits and deposits from banks | | |
| Net increase in borrowing from the central bank | | |
| Net increase in borrowing funds from other financial institutions | | |
| Cash received from premiums from the original insurance contract | | |
| Net cash received from reinsurance business | | |
| Net increase in policyholders' savings and investment funds | | |
| Cash for receiving interests, fees and commissions | | |
| Net increase in borrowing funds | | |
| Net increase in repurchase business funds | | |
| Net cash received from purchasing and selling securities on behalf of agents | | |
| Tax refunds received | | |
| Other cash received relating to operating activities | 181,223,226.62 | 279,190,996.64 |
| Subtotal of cash inflows from operating activities | 6,078,476,892.89 | 5,889,184,599.99 |
| Cash paid for goods and services | 1,541,810,147.98 | 1,429,054,309.34 |
| Net increase in loans and advances to clients | | |
| Net increase in deposits with central banks and inter-banks | | |
| Cash used to pay compensation from original insurance contract | | |
| Net increase in lending funds | | |
| Cash for paying interests, fees and commissions | | |
| Cash paid for policy dividends | | |
| Cash paid to and on behalf of employees | 2,525,919,387.43 | 2,358,990,954.90 |
| Payments of taxes and levies | 287,386,171.64 | 285,363,399.88 |
| Other cash paid relating to operating activities | 660,461,249.01 | 693,381,179.00 |
| Subtotal of cash outflows from operating activities | 5,015,576,956.06 | 4,766,789,843.12 |
| Net cash flows from operating activities | 1,062,899,936.83 | 1,122,394,756.87 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of | 30,238,574.25 | 34,592,947.91 |

| | | |
|---|---|---|
| investments | | |
| Cash received from returns on investments | 16,477,075.77 | 12,220,345.11 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 3,343,069.85 | 1,786,051.85 |
| Net cash received from disposal of subsidiaries and other business departments | | |
| Other cash received relating to investing activities | 466,364,893.55 | 518,928,601.19 |
| Net cash flow from operating activities | 516,423,613.42 | 567,527,946.06 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 691,031,388.55 | 653,476,570.54 |
| Cash paid to acquire investments | | 108,596,170.06 |
| Net increase in mortgage loans | | |
| Net cash received from subsidiaries and other business departments | 261,183,820.35 | 217,112,302.74 |
| Other cash paid relating to investing activities | 844,027,673.16 | 432,895,262.68 |
| Subtotal of cash outflows from investment activities | 1,796,242,882.06 | 1,412,080,306.02 |
| Net cash flows from investing activities | -1,279,819,268.64 | -844,552,359.96 |
| III. Cash flows from financing activities: | | |
| Cash received from capital contributions | 2,307,900.00 | 3,608,020.00 |
| Including: Subsidiaries' cash received from minority shareholders' investments | 2,307,900.00 | 1,775,000.00 |
| Cash received from borrowings | 11,768,779.14 | 7,649,908.56 |
| Other cash received relating to financing activities | 100,000.00 | 6,584,757.28 |
| Subtotal of cash inflows from financing activities | 14,176,679.14 | 17,842,685.84 |
| Cash paid to repay debts | 11,841,325.57 | 121,630,957.51 |
| Cash payments for distribution of dividends or profits or interest expenses | 185,359,129.12 | 119,066,531.67 |
| Including: Dividends and profits paid by subsidiaries to minority shareholders | 16,069,445.69 | 12,822,000.00 |
| Other cash paid relating to financing activities | 179,132,061.02 | 204,993,395.56 |
| Subtotal of cash outflows from financing activities | 376,332,515.71 | 445,690,884.74 |
| Net cash flows from financing activities | -362,155,836.57 | -427,848,198.90 |
| IV. Impact of exchange rate changes on cash and cash equivalents | 4,573,884.27 | 325,810.67 |
| V. Net increase in cash and cash equivalents | -574,501,284.11 | -149,679,991.32 |
| Add: Cash and cash equivalents at the beginning of the period | 1,424,811,490.89 | 1,574,491,482.21 |
| VI. Balance of cash and cash equivalents at the end of the period | 850,310,206.78 | 1,424,811,490.89 |

## 6. Cash flow statement of the parent company

Unit: CNY

| Items | 2024 | 2023 |
|---|---|---|
| I. Cash flows from operating activities: | | |
| Cash received from sales of goods and rendering of services | 1,265,752,759.61 | 1,121,657,789.64 |
| Tax refunds received | 0.00 | 0.00 |
| Other cash received relating to operating activities | 3,028,309,517.35 | 2,714,125,587.56 |
| Subtotal of cash inflows from operating activities | 4,294,062,276.96 | 3,835,783,377.20 |
| Cash paid for goods and services | 476,977,552.72 | 359,428,850.59 |
| Cash paid to and on behalf of employees | 414,860,467.99 | 397,294,741.51 |
| Payments of taxes and levies | 64,915,087.04 | 46,745,318.55 |
| Other cash paid relating to operating activities | 2,844,474,041.53 | 2,593,520,340.49 |
| Subtotal of cash outflows from operating activities | 3,801,227,149.28 | 3,396,989,251.14 |
| Net cash flows from operating activities | 492,835,127.68 | 438,794,126.06 |
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 31,402,098.87 | 32,031,254.52 |
| Cash received from returns on investments | 43,381,139.96 | 43,748,404.63 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 1,451,364.52 | 2,094,372.15 |
| Net cash received from disposal of subsidiaries and other business departments | 0.00 | 0.00 |
| Other cash received relating to investing activities | 424,266,230.99 | 514,763,661.29 |
| Net cash flow from operating activities | 500,500,834.34 | 592,637,692.59 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 116,954,008.95 | 55,720,328.68 |
| Cash paid to acquire investments | 441,634,427.10 | 184,022,910.06 |
| Net cash received from subsidiaries and other business departments | 55,807,578.38 | 171,179,896.86 |
| Other cash paid relating to investing activities | 717,127,673.16 | 430,895,262.68 |
| Subtotal of cash outflows from investment activities | 1,331,523,687.59 | 841,818,398.28 |
| Net cash flows from investing activities | -831,022,853.25 | -249,180,705.69 |
| III. Cash flows from financing activities: | | |
| Cash received from capital contributions | 0.00 | 1,083,020.00 |
| Cash received from borrowings | 31,378,000.00 | 29,178,000.00 |
| Other cash received relating to financing activities | 0.00 | 0.00 |
| Subtotal of cash inflows from financing activities | 31,378,000.00 | 30,261,020.00 |
| Cash paid to repay debts | 11,430,000.00 | 27,070,000.00 |

| | | |
|---|---|---|
| Cash payments for distribution of dividends or profits or interest expenses | 171,953,518.56 | 105,686,021.30 |
| Other cash paid relating to financing activities | 47,729,879.94 | 101,294,599.28 |
| Subtotal of cash outflows from financing activities | 231,113,398.50 | 234,050,620.58 |
| Net cash flows from financing activities | -199,735,398.50 | -203,789,600.58 |
| IV. Impact of exchange rate changes on cash and cash equivalents | 245,234.55 | 3,052,211.13 |
| V. Net increase in cash and cash equivalents | -537,677,889.52 | -11,123,969.08 |
| Add: Cash and cash equivalents at the beginning of the period | 833,173,745.49 | 844,297,714.57 |
| VI. Balance of cash and cash equivalents at the end of the period | 295,495,855.97 | 833,173,745.49 |

## 7. Consolidated statement of changes in owners' equity

Current amount

Unit: CNY

| Items | 2024 | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to owners of the parent company | | | | | | | | | | | | | Minority shareholders' interests | Total owners' equity |
| | Share capital | Other equity instruments | | | Capital reserves | Less: Treasury stock | Other comprehensive incomes | Special reserves | Surplus reserve | General risk reserve | Retained earnings | Others | Subtotal | | |
| | | Preferred shares | Perpetual bonds | Others | | | | | | | | | | | |
| I. Balance at the end of the previous year | 1,682,828,214.00 | | | | 427,227,469.01 | 119,295,717.30 | 19,577,146.90 | | 350,040,439.28 | | 3,844,967,551.01 | | 6,205,345,102.90 | 213,851,093.51 | 6,419,196,196.41 |
| Add: Changes in accounting policies | | | | | | | | | | | | | | | |
| Correction of prior period errors | | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | | |
| II. Balance at the beginning of the current year | 1,682,828,214.00 | | | | 427,227,469.01 | 119,295,717.30 | 19,577,146.90 | | 350,040,439.28 | | 3,844,967,551.01 | | 6,205,345,102.90 | 213,851,093.51 | 6,419,196,196.41 |
| III. Amount of change in the current period (decrease is indicated with the mark "-") | | | | | -12,982,167.48 | 28,551,655.89 | -4,012,673.67 | | 49,174,932.16 | | 704,415,355.00 | | 708,043,790.12 | 33,613,694.17 | 741,657,484.29 |
| (I) Total comprehensive incomes | | | | | | | -4,012,673.67 | | | | 921,073,108.56 | | 917,060,434.89 | 11,814,909.75 | 928,875,344.64 |
| (II) Capital contribution and withdrawal by owners | | | | | -12,982,167.48 | 28,551,655.89 | | | | | | | -41,533,823.37 | 41,149,280.11 | -384,543.26 |
| 1. Common share contributed by owners | | | | | | | | | | | | | | 12,137,946.05 | 12,137,946.05 |
| 2. Capital invested by holders of other equity instruments | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3. Share-based payments recognized in owners' equity | | | | | | 28,551,655.89 | | | | | | | -28,551,655.89 | | -28,551,655.89 |
| 4. Others | | | | | -12,982,167.48 | | | | | | | | -12,982,167.48 | 29,011,334.06 | 16,029,166.58 |
| (III) Profit distribution | | | | | | | | | 49,174,932.16 | | -216,657,753.56 | | -167,482,821.40 | -19,350,495.69 | -186,833,317.09 |
| 1. Appropriation of surplus reserve | | | | | | | | | 49,174,932.16 | | -49,174,932.16 | | | | |
| 2. Appropriation of general risk reserve | | | | | | | | | | | | | | | |
| 3. Distributions to owners (or shareholders) | | | | | | | | | | | -167,482,821.40 | | -167,482,821.40 | -19,350,495.69 | -186,833,317.09 |
| 4. Others | | | | | | | | | | | | | | | |
| (IV) Internal carry-forward of owners' equity | | | | | | | | | | | | | | | |
| 1. Capital increase converted from capital surplus (or share capital) | | | | | | | | | | | | | | | |
| 2. Capital increase converted from surplus reserve (or share capital) | | | | | | | | | | | | | | | |
| 3. Losses covered by surplus reserve | | | | | | | | | | | | | | | |
| 4. Retained earnings carried forward from changes in defined benefit plans | | | | | | | | | | | | | | | |
| 5. Retained earnings carried forward from other comprehensive incomes | | | | | | | | | | | | | | | |
| 6. Others | | | | | | | | | | | | | | | |
| (V) Special reserves | | | | | | | | | | | | | | | |
| 1. Appropriation in this issue | | | | | | | | | | | | | | | |
| 2. Usage in this issue | | | | | | | | | | | | | | | |
| (VI) Others | | | | | | | | | | | | | | | |
| IV. Closing balance of | 1,682,828,21 | | | | 414,245,301.53 | 147,847,373.19 | 15,564,473.23 | | 399,215,371.44 | | 4,549,382,906.01 | | 6,913,388,893. | 247,464,787.68 | 7,160,853,680. |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| the current period | 4.00 | | | | | | | | | | | | 02 | | 70 |

Amount of last period

Unit: CNY

| Items | 2023 | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to owners of the parent company | | | | | | | | | | | | | Minority shareholders' interests | Total owners' equity |
| | Share capital | Other equity instruments | | | Capital reserves | Less: Treasury stock | Other comprehensive incomes | Special reserves | Surplus reserve | General risk reserve | Retained earnings | Others | Subtotal | | |
| | | Preferred shares | Perpetual bonds | Others | | | | | | | | | | | |
| I. Balance at the end of the previous year | 1,682,748,214.00 | | | | 427,520,263.71 | 35,491,855.22 | 15,144,072.85 | | 274,202,045.17 | | 3,109,941,135.25 | | 5,474,063,875.76 | 198,199,420.76 | 5,672,263,296.52 |
| Add: Changes in accounting policies | | | | | | | | | | | 1,451,018.14 | | 1,451,018.14 | | 1,451,018.14 |
| Correction of prior period errors | | | | | | | | | | | | | 0.00 | | 0.00 |
| Others | | | | | | | | | | | | | 0.00 | | 0.00 |
| II. Balance at the beginning of the current year | 1,682,748,214.00 | 0.00 | 0.00 | 0.00 | 427,520,263.71 | 35,491,855.22 | 15,144,072.85 | 0.00 | 274,202,045.17 | 0.00 | 3,111,392,153.39 | 0.00 | 5,475,514,893.90 | 198,199,420.76 | 5,673,714,314.66 |
| III. Amount of change in the current period (decrease is indicated with the mark "-") | 80,000.00 | 0.00 | 0.00 | 0.00 | -292,794.70 | 83,803,862.08 | 4,433,074.05 | 0.00 | 75,838,394.11 | 0.00 | 733,575,397.62 | 0.00 | 729,830,209.00 | 15,651,672.75 | 745,481,881.75 |
| (I) Total comprehensive incomes | | | | | | | 4,433,074.05 | | | | 910,203,484.57 | | 914,636,558.62 | 16,993,499.94 | 931,630,058.56 |
| (II) Capital contribution and withdrawal by owners | 80,000.00 | 0.00 | 0.00 | 0.00 | -425,023.16 | 83,803,862.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -84,148,885.24 | 11,450,797.85 | -72,698,087.39 |
| 1. Common share contributed by owners | 80,000.00 | | | | 645,200.00 | | | | | | | | 725,200.00 | -1,560,609.20 | -835,409.20 |
| 2. Capital invested by holders of other equity instruments | | | | | | | | | | | | | 0.00 | | 0.00 |
| 3. Share-based payments recognized in owners' equity | | | | | 0.00 | 83,803,862.08 | | | | | | | -83,803,862.08 | | -83,803,862.08 |
| 4. Others | 0.00 | | | | -1,070,223.16 | | | | | | 0.00 | | -1,070,223.16 | 13,011,407.05 | 11,941,183.89 |
| (III) Profit distribution | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 75,838,394.11 | 0.00 | -176,628,086.95 | 0.00 | -100,789,692. | -12,792,625.04 | -113,582,317.88 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | 84 | | |
| 1. Appropriation of surplus reserve | | | | | | | | | 75,838,394.11 | | -75,838,394.11 | | 0.00 | | 0.00 |
| 2. Appropriation of general risk reserve | | | | | | | | | | | | | 0.00 | | 0.00 |
| 3. Distributions to owners (or shareholders) | | | | | | | | | | | -100,789,692.84 | | -100,789,692.84 | -12,792,625.04 | -113,582,317.88 |
| 4. Others | | | | | | | | | | | | | 0.00 | | 0.00 |
| (IV) Internal carry-forward of owners' equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1. Capital increase converted from capital surplus (or share capital) | | | | | | | | | | | | | 0.00 | | 0.00 |
| 2. Capital increase converted from surplus reserve (or share capital) | | | | | | | | | | | | | 0.00 | | 0.00 |
| 3. Losses covered by surplus reserve | | | | | | | | | | | | | 0.00 | | 0.00 |
| 4. Retained earnings carried forward from changes in defined benefit plans | | | | | | | | | | | | | 0.00 | | 0.00 |
| 5. Retained earnings carried forward from other comprehensive incomes | | | | | | | | | | | | | 0.00 | | 0.00 |
| 6. Others | | | | | 0.00 | | | | | | | | 0.00 | | 0.00 |
| (V) Special reserves | | | | | | | | | | | | | | | 0.00 |
| 1. Appropriation in this issue | | | | | | | | | | | | | 0.00 | | 0.00 |
| 2. Usage in this issue | | | | | | | | | | | | | 0.00 | | 0.00 |
| (VI) Others | | | | | 132,228.46 | | | | | | 0.00 | | 132,228.46 | | 132,228.46 |
| IV. Closing balance of | 1,682,828,214.00 | 0.00 | 0.00 | 0.00 | 427,227,469.01 | 119,295,717.30 | 19,577,146.90 | 0.00 | 350,040,439.28 | 0.00 | 3,844,967,551.01 | 0.00 | 6,205,345,10 | 213,851,093.51 | 6,419,196,196.41 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| the current period | | | | | | | | | | | | | 2.90 | | |

## 8. Statement of changes in owner's equity of the parent company

Current amount

Unit: CNY

| Items | 2024 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Other equity instruments | | | Capital reserves | Less: Treasury stock | Other comprehensive incomes | Special reserves | Surplus reserve | Retained earnings | Others | Total owners' equity |
| | | Preferred shares | Perpetual bonds | Others | | | | | | | | |
| I. Balance at the end of the previous year | 1,682,828,214.00 | 0.00 | 0.00 | 0.00 | 284,792,822.45 | 119,295,717.30 | 0.00 | 0.00 | 348,662,247.79 | 2,379,271,344.03 | 0.00 | 4,576,258,910.97 |
| Add: Changes in accounting policies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Correction of prior period errors | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| II. Balance at the beginning of the current year | 1,682,828,214.00 | 0.00 | 0.00 | 0.00 | 284,792,822.45 | 119,295,717.30 | 0.00 | 0.00 | 348,662,247.79 | 2,379,271,344.03 | 0.00 | 4,576,258,910.97 |
| III. Amount of change in the current period (decrease is indicated with the mark "-") | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 28,551,655.89 | 0.00 | 0.00 | 49,174,932.16 | 275,091,568.00 | 0.00 | 295,714,844.27 |
| (I) Total comprehensive incomes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 491,749,321.56 | 0.00 | 491,749,321.56 |
| (II) Capital contribution and withdrawal by owners | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 28,551,655.89 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -28,551,655.89 |
| 1. Common share contributed by owners | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2. Capital invested by holders of other equity instruments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Share-based payments recognized in owners' equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 28,551,655.89 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -28,551,655.89 |
| 4. Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (III) Profit distribution | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 49,174,932.16 | -216,657,753.56 | 0.00 | -167,482,821.40 |
| 1. Appropriation of surplus | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 49,174,932.16 | -49,174,932.16 | 0.00 | 0.00 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| reserve | | | | | | | | | | | | |
| 2. Distributions to owners (or shareholders) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -167,482,821.40 | 0.00 | -167,482,821.40 |
| 3. Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (IV) Internal carry-forward of owners' equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1. Capital increase converted from capital surplus (or share capital) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2. Capital increase converted from surplus reserve (or share capital) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Losses covered by surplus reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4. Retained earnings carried forward from changes in defined benefit plans | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5. Retained earnings carried forward from other comprehensive incomes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6. Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (V) Special reserves | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1. Appropriation in this issue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2. Usage in this issue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (VI) Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IV. Closing balance of the current period | 1,682,828,214.00 | 0.00 | 0.00 | 0.00 | 284,792,822.45 | 147,847,373.19 | 0.00 | 0.00 | 397,837,179.95 | 2,654,362,912.03 | 0.00 | 4,871,973,755.24 |

Amount of last period

Unit: CNY

| Items | 2023 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Other equity instruments | | | Capital reserves | Less: Treasury stock | Other comprehensive incomes | Special reserves | Surplus reserve | Retained earnings | Others | Total owners' equity |
| | | Preferred | Perpetual bonds | Others | | | | | | | | |

| | | shares | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I. Balance at the end of the previous year | 1,682,748,214.00 | | | | 284,015,393.99 | 35,491,855.22 | 0.00 | | 272,823,853.68 | 1,797,019,711.75 | | 4,001,115,318.20 |
| Add: Changes in accounting policies | | | | | | | | | | 495,778.16 | | 495,778.16 |
| Correction of prior period errors | | | | | | | | | | | | 0.00 |
| Others | | | | | | | | | | | | 0.00 |
| II. Balance at the beginning of the current year | 1,682,748,214.00 | 0.00 | 0.00 | 0.00 | 284,015,393.99 | 35,491,855.22 | 0.00 | 0.00 | 272,823,853.68 | 1,797,515,489.91 | 0.00 | 4,001,611,096.36 |
| III. Amount of change in the current period (decrease is indicated with the mark "-") | 80,000.00 | 0.00 | 0.00 | 0.00 | 777,428.46 | 83,803,862.08 | 0.00 | 0.00 | 75,838,394.11 | 581,755,854.12 | 0.00 | 574,647,814.61 |
| (I) Total comprehensive incomes | | | | | | | | | | 758,383,941.07 | | 758,383,941.07 |
| (II) Capital contribution and withdrawal by owners | 80,000.00 | 0.00 | 0.00 | 0.00 | 645,200.00 | 83,803,862.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -83,078,662.08 |
| 1. Common share contributed by owners | 80,000.00 | | | | 645,200.00 | | | | | | | 725,200.00 |
| 2. Capital invested by holders of other equity instruments | | | | | | | | | | | | 0.00 |
| 3. Share-based payments recognized in owners' equity | | | | | 0.00 | 83,803,862.08 | | | | | | -83,803,862.08 |
| 4. Others | 0.00 | | | | 0.00 | | | | | 0.00 | | 0.00 |
| (III) Profit distribution | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 75,838,394.11 | -176,628,086.95 | 0.00 | -100,789,692.84 |
| 1. Appropriation of surplus reserve | | | | | | | | | 75,838,394.11 | -75,838,394.11 | | 0.00 |
| 2. Distributions to owners (or shareholders) | | | | | | | | | | -100,789,692.84 | | -100,789,692.84 |
| 3. Others | | | | | | | | | | | | 0.00 |
| (IV) Internal carry-forward of owners' equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1. Capital increase converted | | | | | | | | | | | | 0.00 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| from capital surplus (or share capital) | | | | | | | | | | | | |
| 2. Capital increase converted from surplus reserve (or share capital) | | | | | | | | | | | | 0.00 |
| 3. Losses covered by surplus reserve | | | | | | | | | | | | 0.00 |
| 4. Retained earnings carried forward from changes in defined benefit plans | | | | | | | | | | | | 0.00 |
| 5. Retained earnings carried forward from other comprehensive incomes | | | | | | | | | | | | 0.00 |
| 6. Others | | | | | 0.00 | | | | | | | 0.00 |
| (V) Special reserves | | | | | | | | | | | | 0.00 |
| 1. Appropriation in this issue | | | | | | | | | | | | 0.00 |
| 2. Usage in this issue | | | | | | | | | | | | 0.00 |
| (VI) Others | | | | | 132,228.46 | | | | | 0.00 | | 132,228.46 |
| IV. Closing balance of the current period | 1,682,828,214.00 | 0.00 | 0.00 | 0.00 | 284,792,822.45 | 119,295,717.30 | 0.00 | 0.00 | 348,662,247.79 | 2,379,271,344.03 | 0.00 | 4,576,258,910.97 |

## III. Basic information

(I) Company registration place, organizational form and headquarter address

Centre Testing International Group Co., Ltd. (hereinafter referred to as “the Company”) was formerly known as Shenzhen Centre Testing International Testing Technology Co., Ltd. It was established with the approval of the Shenzhen Municipal Administration for Industry and Commerce of Guangdong Province, and was jointly funded by natural persons Wan Lipeng and Zhang Li. It was registered with the Shenzhen Municipal Administration for Industry and Commerce of Guangdong Province on December 23, 2003, and its headquarter is located in Shenzhen, Guangdong Province. The Company was listed on the Shenzhen Stock Exchange on October 30, 2009 and currently holds a business license with a unified social credit code of 91440300757618160G.

After the issuance of bonus shares, placement of new shares, conversion of share capital and additional issue of new shares over the years, as at December 31, 2024, the Company has issued a total of 1,682,828,214 shares of share capital, with a registered capital of CNY 1,682,828,214; registered address: Room 101, Building 1, CTI Building, Xingdong Community, Xin’an Street, Bao’an District, Shenzhen, Guangdong. Headquarter address: Room 101, Building 1, CTI Building, Xingdong Community, Xin’an Street, Bao’an District, Shenzhen, Guangdong, China. The ultimate actual controller of the Group is Wan Feng.

(II) The nature of the Company’s business and its main business activities

The Company operates in the technical testing industry, with its main products and services being testing services in the fields of trade assurance, consumer goods testing, industrial testing, life sciences, pharmaceuticals, and medical services.

(III) Scope of consolidated financial statements

A total of 143 subsidiaries of the Company were included in the scope of consolidation in the current period, as detailed in Note 10. Interests in other entities. Compared with the previous period, the number of entities included in the scope of consolidated financial statements in the current period increased by 14 and decreased by 8. For detailed information on the entities with changed scope of consolidation, refer to Note 9. Changes in the scope of consolidation.

(IV) Approval and reporting of financial statements

The financial statements were approved by the Company's Board of Directors on April 16, 2025.

# IV. Basis for preparation of financial statements

## 1. Basis for preparation

The Company recognizes and measures the actual transactions and events in accordance with the *Accounting Standards for Business Enterprises* - *Basic Standards* and specific accounting standards for Business Enterprises, Application Guidelines for Accounting Standards for Business Enterprises, interpretation of Accounting Standards for Business Enterprises and other relevant provisions promulgated by the Ministry of Finance (hereinafter collectively referred to as "Accounting Standards for Business Enterprises"). The financial statements are prepared in accordance with the provisions of the China Securities Regulatory Commission's *Rules No. 15 on Information Disclosure and Reporting for Companies that Issue Securities Publicly* - *General Provisions for Financial* Statements (revised in 2023).

## 2. Going concern

The Company has evaluated its ability to go as a going concern for the 12 months from the end of the reporting period and has not identified matters or circumstances that raise significant doubt about its going concern. Therefore, these financial statements are prepared on the basis of going concern assumption.

# V. Important accounting policies and accounting estimates

Specific accounting policies and accounting estimates:

The Company determines specific accounting policies and accounting estimates based on its production and operation characteristics, which are mainly reflected in the valuation method of inventory, the method of setting aside bad debt reserves for accounts receivable, depreciation of fixed assets and amortization of intangible assets, the metrology model of investment properties, the timing of income recognition.

## 1. Declaration of compliance with Accounting Standards for Business Enterprises

The financial statement prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company's financial status, operating results, cash flow and other relevant information during the reporting period.

## 2. Accounting period

A fiscal year is from January 1 to December 31 of the Gregorian calendar.

## 3. Operating cycle

The operating cycle is the period from when an enterprise purchases assets for processing to when it realizes cash or cash equivalents. The Company takes 12 months as an operating cycle and uses it as the liquidity standard for classifying assets and liabilities.

## 4. Recording currency

CNY is used as the accounting currency of the Company.

## 5. Method for determining importance criteria and basis for selection

☑ Applicable □ Not applicable

| Items | Importance criteria |
|---|---|
| Important non-wholly owned subsidiaries | Current assets, non-current assets, current liabilities, non-current liabilities, operating revenue, and net profit exceeds 0.5% of operating revenue |
| Prepayments with an aging of more than one year and significant amounts | Prepayments that are older than one year and exceed 0.2% of operating revenue |
| Important projects under construction | 2% of operating revenue |
| Important accounts payable aged more than one year | Accounts payable that are older than one year and exceed 0.2% of operating revenue |
| Significant joint ventures or associated businesses | Book value of long-term equity investment in a single invested unit exceeds 2% of operating revenue |

## 6. Accounting treatment methods for business combination not under common control and those not under the same control

1. If the terms, conditions, and economic impact of each transaction in the step-by-step enterprise merger process meet one or more of the following criteria, multiple transactions are treated as a single bundled transaction for accounting purposes
(1) The transactions are agreed upon simultaneously or with consideration of their mutual impact;
(2) The transactions together achieve a complete commercial result;
(3) A transaction is economically unfeasible on its own, but becomes viable when considered with other transactions.
(4) A transaction is economically unfeasible on its own, but becomes viable when considered with other transactions.
2. Merger of companies under common control
The assets and liabilities acquired by the Company in a business combination are measured at the carrying amounts of the assets and liabilities of the merged party (including goodwill arising from the acquisition of the merged party by the ultimate controlling party) as stated in the consolidated financial statements of the ultimate controlling party on the date of the combination. The difference between the book value of the net assets acquired in the merger and the book value of the merger consideration paid (or the total nominal value of the issued shares), the capital premium in the capital reserve is adjusted, and the retained earnings are adjusted if the capital premium in the capital reserve is insufficient to be written off.
If there is contingent consideration and it is necessary to recognize a provision or asset, the difference between the amount of the provision or asset and the subsequent settlement amount of the contingent consideration should be used to adjust the capital

reserve (capital premium or share premium). If the capital reserve is insufficient, the retained earnings should be adjusted.

For business combinations that are ultimately achieved through multiple transactions, if it is a package deal, each transaction will be accounted for as a transaction to obtain control; if it is not a package deal, on the date of obtaining control, the difference between the initial investment cost of the long-term equity investment and the sum of the book value of the long-term equity investment before the merger plus the book value of the new payment for further shares acquired on the merger date will be used to adjust the capital reserve; if the capital reserve is insufficient to offset the reduction, the retained earnings will be adjusted. For equity investments held prior to the merger date, other comprehensive income recognized as a result of accounting using the equity method or financial instrument recognition and measurement standards is not accounted for until such investment is disposed of on the same basis as the investee’s direct disposal of the relevant assets or liabilities; Other changes in owner’s equity other than net profit and loss, other comprehensive income and profit distribution in the net assets of the investee recognized by the equity method are temporarily not accounted for until they are transferred to the current profit and loss when the investment is disposed of.

3. Business combination not under common control

The acquisition date refers to the date when the Company actually obtains control over the acquiree, that is, the date when control over the net assets or production and operation decisions of the purchased party is transferred to the Company. When the following conditions are met at the same time, the Company generally considers that the transfer of control has been achieved:

① The business combination contract or agreement has been approved by the Company’s internal authority.

② Enterprise merger matters that need to be reviewed and approved by the relevant national competent authorities have been approved.

③ The necessary procedures for the transfer of property rights have been completed.

④ The Company has paid the majority of the Merger Price and has the ability and plan to pay the remaining balance.

⑤ The Company has actually controlled the financial and operating policies of the acquiree and enjoys the corresponding benefits and bears the corresponding risks.

The Company measures assets given, liabilities incurred or assumed as consideration for a business combination at the acquisition date in fair value, and the difference between the fair value and its carrying amount is recognized in profit or loss in the current period.

The excess of the consideration transferred over the acquirer’s interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquiree is recognized as goodwill. If the consideration transferred is less than the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquiree, the difference is recognized in profit or loss after reassessment.

If the merger of enterprises not under the same control is realized step by step through multiple exchange transactions, and it is a package transaction, each transaction will be accounted for as a transaction to obtain control; if it is not a package transaction, the equity held before the merger date will be accounted for. If the investment is accounted for using the equity method, the sum of the book value of the equity investment in the purchased party held before the acquisition date and the new investment cost on the acquisition date should be the initial investment cost of the investment; Other comprehensive income recognized under equity method accounting should be accounted for on the same basis as when the invested unit directly disposes related assets or liabilities when disposing of the investment. If the equity investment held before the merger date is accounted for using the financial instrument recognition and metrology criteria, the sum of the fair value of the equity investment on the merger date plus the new investment cost will be the initial investment cost on the merger date. The difference between the fair value and the book value of the original equity holding and the cumulative fair value changes originally included in other comprehensive income should all be transferred to investment income in the period on the merger date.

4. Costs associated with the merger

Intermediary fees such as auditing, legal services, assessment and consulting fees, and other directly related costs incurred for the business combination are recognized in profit or loss when incurred; transaction costs for the issuance of equity securities for the purpose of the business combination are deducted from equity to the extent that they are directly attributable to the equity transaction.

## 7. Control judgment standards and preparation methods of consolidated financial statements

1. Judgment criteria for control

The scope of consolidation for consolidated financial statements is determined based on control. Control refers to the Company’s power over the investee, its exposure or rights to variable returns from its involvement with the investee, and its ability to use its power over the investee to affect the amount of its returns. Once changes in relevant facts and circumstances result in changes in the relevant elements involved in the definition of control, the Company will reassess.

In determining whether to consolidate a structured entity, the Company considers all relevant facts and circumstances, including the purpose and design of the structured entity, the types of variable returns, and whether the Company bears some or all of the variability of returns through its involvement in the relevant activities.

2. Merging range

The scope of the Company’s consolidated financial statements is determined on the basis of control, and all subsidiaries (including separate entities controlled by the Company) are included in the consolidated financial statements.

3. Merging program

The Company prepares consolidated financial statements based on its own and its subsidiaries’ financial statements and other relevant information. The Company prepares consolidated financial statements, treating the entire enterprise group as an accounting entity, and reflects the overall financial position, operating results and cash flows of the enterprise group in accordance with the recognition, metrology and reporting requirements of relevant accounting standards for business enterprises and in accordance with unified accounting policies.

All subsidiaries included in the scope of consolidation of the consolidated financial statements adopt accounting policies and accounting periods that are consistent with those of the Company, and if the subsidiaries adopt accounting policies and accounting periods that are inconsistent with those of the Company, the necessary adjustments are made in the preparation of the consolidated financial statements in accordance with the Company’s accounting policies and accounting periods.

When consolidating financial statements, the impact of internal transactions between the Company and its subsidiaries and between subsidiaries on the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, and consolidated statement of changes in shareholders’ equities is eliminated. If the identification of the same transaction from the perspective of the consolidated financial statements of the enterprise group is different from the identification of the same transaction from the perspective of the enterprise group with the Company or its subsidiaries as the accounting entity, the transaction is adjusted from the perspective of the enterprise group.

The owner’s equity of subsidiaries, current net profit and loss and current comprehensive income belonging to minority shareholders are presented separately under the owner’s equity item in the consolidated balance sheet, the net profit item and the total comprehensive income item in the consolidated income statement. If the current losses shared by the minority shareholders of a subsidiary exceed the minority shareholders’ share of the subsidiary’s opening owner’s equity, the balance is offset against the minority shareholders’ equities.

For a subsidiary acquired through a business combination under common control, its financial statements will be adjusted based on the book value of its assets and liabilities (including the goodwill formed by the ultimate controller’s acquisition of the subsidiary) in the financial statements of the ultimate controller..

For a subsidiary acquired through a business combination not under common control, their financial statements will be adjusted based on the fair value of the identifiable net assets on the date of acquisition.

(1) Addition of subsidiaries or businesses

During the reporting period, if a subsidiary or business is added due to a merger of companies under common control, the beginning balance of the consolidated balance sheet should be adjusted; the income, expenses and profits of the subsidiaries or businesses from the beginning of the current period to the end of the reporting period should be included in the consolidated income statement; the cash flows of the subsidiaries or businesses from the beginning of the current period to the end of the reporting period should be included in the consolidated cash flow statement, and the relevant items of the comparative statements should be adjusted at the same time, as if the combined reporting entity has always existed since the point when the ultimate controlling party begins to control.

If control over the investee under the same control is able to be exercised due to additional investment, etc., the parties involved in the merger are deemed to have been adjusted based on their current status when the ultimate controlling party began to control. For the equity investment held before obtaining control of the merged party, the relevant profit and loss, other comprehensive income and other changes in net assets have been recognized between the later of the date of acquisition of the original equity and the date on which the merging party and the merged party were under the same control and the merger date, whichever is later, and are offset against the beginning retained earnings or current profit and loss of the comparative statement period.

During the reporting period, if a subsidiary or business is added due to a business combination not under common control, the opening balance of the consolidated balance sheet will not be adjusted; the income, expenses and profits of the subsidiary or business from the date of acquisition to the end of the reporting period will be included in the consolidation Income statement; the cash flow of the subsidiary or business from the date of acquisition to the end of the reporting period is included in the consolidated cash flow statement.

If it is able to exercise control over an investee that is not under the same control due to additional investment or other reasons, the Company will remeasure the equity of the acquiree held before the acquisition date based on the fair value of the equity on the acquisition date, and the fair value should be the same as that of the acquisition date. The difference in book value is included in the current investment income. If the equities of the acquiree held before the acquisition date involve other comprehensive income accounted for under the equity method and other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, the other comprehensive income and other changes in owners' equity related to them should be transferred to investment income of the current period on the acquisition date, except for other comprehensive income arising from the re-metrology of the net liabilities or changes in net assets of the defined benefit plan by the investee.

(2) Disposal of subsidiaries or businesses

1) General treatment methods

During the reporting period, if the Company disposes of a subsidiary or business, the income, expenses and profits of the subsidiary or business from the beginning of the period to the date of disposal should be included in the consolidated income statement; the cash flow of the subsidiary or business from the beginning of the period to the date of disposal should be included in the consolidated cash flow statement.

When the Company loses control over the investee due to the disposal of part of the equity investment or other reasons, the Company will remeasure the remaining equity investment after the disposal according to its fair value on the date of loss of control. The difference between the sum of the consideration received for the disposal of equity and the fair value of the remaining equity, less the sum of the share of the original subsidiary's net assets continuously measured from the acquisition date or the date of consolidation based on the proportion of the original shareholding, and goodwill, is recognized as investment income in the period in which the control is lost. Other comprehensive income related to the equity investment in the original subsidiary or other changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution are converted into current investment income when control is lost, except for other comprehensive income arising from the investee's re-metrology of the net liabilities or changes in net assets of the defined benefit plan.

2) Disposal of subsidiaries in stages

Where the equity investment in a subsidiary is disposed of in stages through multiple transactions until control is lost, the terms, conditions and economic impact of each transaction for the disposal of the equity investment in the subsidiary meet one or more of the following conditions, which usually indicates that the multiple transactions should be accounted for as a package transaction:

A. These transactions are entered into simultaneously or with consideration of each other's impact;

B. These transactions as a whole can achieve a complete business result;

C. The occurrence of one transaction depends on the occurrence of at least one other transaction;

D. A transaction that is uneconomical on its own is economical when considered together with other transactions.

If the various transactions involving the disposal of equity investments in subsidiaries until the loss of control belong to a package transaction, the Company will account for each transaction as a transaction in which the subsidiary is disposed of and the control is lost; however, each transaction before the loss of control The difference between the disposal price and the share of the subsidiary's net assets corresponding to the disposal investment is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit and loss of the current period when control is lost.

If the various transactions for disposing of the equity investment in the subsidiary until the loss of control do not constitute a package deal, before the loss of control, the accounting treatment should be conducted in accordance with the relevant policies for the partial disposal of the equity investment in the subsidiary without losing control; when the control is lost, the accounting treatment should be conducted in accordance with the general method for disposal of subsidiaries.

(3) Purchase of minority interests in subsidiaries

The difference between the long-term equity investment newly acquired by the Company due to the purchase of minority interests and the share of net assets, calculated on a continuous basis from the acquisition date (or consolidation date), to which it is entitled based on the additional shareholding ratio, is adjusted to the share premium in the consolidated balance sheet's capital reserve. If the share premium in the capital reserve is insufficient to offset the difference, retained earnings are adjusted accordingly.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between the proceeds from the partial disposal of long-term equity investments in subsidiaries without loss of control and the share of net assets, calculated on a continuous basis from the acquisition date or consolidation date, corresponding to the disposed long-term equity investment, is adjusted to the share premium in the consolidated balance sheet's capital reserve. If the share premium in the capital reserve is insufficient to offset the difference, retained earnings are adjusted accordingly.

## 8. Classification of joint arrangements and accounting methods for joint operations

1. Classification of joint arrangements

The Company classifies joint arrangements based on the structure of the arrangement, its legal form, the terms agreed upon in the arrangement, and other relevant facts and circumstances. Joint arrangements are categorized into joint operations and joint ventures.

Joint arrangements not established through a separate legal entity are classified as joint operations. Joint arrangements established through a separate legal entity are generally classified as joint ventures. However, joint arrangements that meet any of the following conditions, with conclusive evidence, are classified as joint operations, provided they comply with applicable laws and regulations:

(1) The legal form of the joint arrangement indicates that the parties to the arrangement has rights and obligations respectively with respect to the relevant assets and liabilities in the arrangement.

(2) The contractual terms of the joint arrangement indicate that the parties to the arrangement has rights and obligations respectively with respect to the relevant assets and liabilities in the arrangement.

(3) Other relevant facts and circumstances indicate that the joint venture parties have rights to the assets and obligations for the liabilities of the arrangement, respectively. For example, the joint venture parties are entitled to almost all the output of the joint arrangement, and the settlement of the liabilities of the arrangement depends on the ongoing support of the joint venture parties.

2. Accounting methods for joint operations

The Company recognizes and accounts for the following items related to its interest in joint operations in accordance with relevant rules in the Accounting Standards for Business Enterprises:

(1) Recognize assets held solely by the Company and, for jointly held assets, recognize them according to the Company's share;

(2) Recognize liabilities assumed solely by the Company and, for jointly assumed liabilities, recognize them according to the

Company's share;
(3) Recognize income from the sale of the Company's share of joint operation output;
(4) Recognize income generated by the joint operation's sale of output in proportion to the Company's share;
(5) Recognize expenses incurred solely by the Company and, for jointly operated expenses, recognize them according to the Company's share.

If the Company contributes or sells assets to a joint operation (excluding assets constituting a business), any gain or loss arising from this transaction is recognized only to the extent attributable to the other participants in the joint operation, until those assets are sold to a third party. If the contributed or sold assets incur asset impairment losses in accordance with *Accounting Standards for Business Enterprises No. 8 - Asset Impairment* or other relevant regulations, the Company recognizes such losses in full.

If the Company purchases assets from a joint operation (excluding assets constituting a business), any gain or loss arising from this transaction is recognized only to the extent attributable to the other participants in the joint operation, until those assets are sold to a third party. If the purchased assets incur asset impairment losses in accordance with *Accounting Standards for Business Enterprises No. 8 - Asset Impairment* or other relevant regulations, the Company recognizes such losses according to its share of ownership.

If the Company does not have joint control over a joint operation but holds rights to the relevant assets and is responsible for the relevant liabilities of the joint operation, it still applies the accounting treatment described above. Otherwise, it should follow the applicable rules in the Accounting Standards for Business Enterprises.

## 9. Criteria for determining cash and cash equivalents

In preparing the cash flow statement, the Company recognizes cash on hand and deposits that can be used for payments at any time as cash. Investments that meet the following four conditions are classified as cash equivalents: short-term maturity (generally maturing within three months from the acquisition date), high liquidity, easily convertible into known amounts of cash, and minimal risk of value fluctuation.

## 10. Foreign currency transactions and translation of foreign currency statements

1. Foreign currency transactions

Transactions in foreign currencies are initially recorded in CNY using the spot exchange rate on the date of the transaction.

On the balance sheet date, foreign currency monetary items are translated at the spot exchange rate as of that date. Any resulting exchange differences, except for those related to foreign currency-denominated specific borrowings for the acquisition or construction of qualifying assets, which are treated according to the principles of capitalization of borrowing costs, are recognized in the current period's profit or loss. For foreign currency non-monetary items measured at historical cost, the translation is based on the spot exchange rate on the date of the transaction, and their recording currency amount remains unchanged.

For foreign currency non-monetary items measured at fair value, the translation is based on the spot exchange rate on the date when the fair value is determined. The difference between the translated accounting currency amount and the original accounting currency amount, resulting from the change in fair value (including exchange rate fluctuations), is either recognized in the current period's profit or loss or recorded as other comprehensive income.

2. Translation of foreign currency financial statements

For the balance sheet, asset and liability items are translated using the spot exchange rate on the balance sheet date. For owners' equity items, except for "retained earnings", all other items are translated using the spot exchange rate at the time they were incurred. Income and expense items in the income statement are translated using the spot exchange rate on the date of the transaction. The resulting translation differences in foreign currency financial statements are recorded in other comprehensive income.

When disposing of a foreign operation, the translation differences in other comprehensive income, related to that foreign operation, are transferred to the income statement for the period in which the disposal occurs. In cases where a partial disposal of equity investments or other reasons lead to a reduction in ownership percentage in a foreign operation but do not result in loss of control, the translation differences associated with the portion disposed will be attributed to interest of minority shareholders and will not be transferred to the current period's income statement. For partial disposal of equity in a foreign operation classified as an associate or joint venture, the translation differences related to that foreign operation are transferred to the income statement for the period in which the disposal occurs, proportionate to the disposal.

## 11. Financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to the contractual terms of a financial instrument.

The effective interest method refers to the method for calculating the amortized cost of a financial asset or financial liability and for allocating interest income or interest expense over different accounting periods.

The effective interest rate is the rate that discounts estimated future cash flows over the expected life of a financial asset or financial liability to the carrying amount of the financial asset or the amortized cost of the financial liability. In determining the effective interest rate, all contractual terms of the financial asset or financial liability (such as early repayment, extension, call options, or other similar options) are taken into consideration when estimating the expected cash flows, but expected credit losses are not considered.

The amortized cost of a financial asset or financial liability is the initial recognition amount of the financial asset or financial liability, minus any principal repayments, plus or minus the cumulative amortization of the difference between the initial recognition amount and the amount due at maturity using the effective interest method, and minus any cumulative loss provisions (applies only to financial assets).

1. Classification, recognition, and measurement of financial assets

The Company classifies its financial assets into the following three categories based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets:

(1) Financial assets measured at amortized cost.

(2) Financial assets measured at fair value through other comprehensive income.

(3) Financial assets measured at fair value through profit or loss.

Financial assets are initially measured at fair value. However, accounts receivable or notes receivable resulting from the sale of goods or services that do not contain significant financing components, or where the financing component is for a period of less than one year, are initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, transaction costs are expensed directly in the current period's profit or loss. For other types of financial assets, the transaction costs are included in the initial measurement of the asset.

The subsequent measurement of financial assets depends on their classification. A reclassification of financial assets is made only when there is a change in the business model for managing financial assets. In such cases, all affected financial assets are reclassified accordingly.

(1) Classification of financial assets measured at amortized cost

If the contractual terms of a financial asset stipulate that the cash flows arising on specific dates are solely payments of principal and interest based on the outstanding principal amount, and the business model for managing the financial asset is aimed at collecting contractual cash flows, the Company classifies this financial asset as measured at amortized cost. Financial assets classified as measured at amortized cost by the Company include cash and cash equivalents, notes receivable, accounts receivable, other receivables, and debt investments.

For such financial assets, the Company recognizes interest income using the effective interest method and carries out subsequent measurement at amortized cost. Any gains or losses arising from impairment, derecognition, or modification are recorded in the current period's profit or loss. Exceptions to calculating interest income by multiplying the carrying amount of the financial asset by the effective interest rate are as follows:

1) For purchased or originated credit-impaired financial assets, the Company determines interest income from initial recognition by applying the credit-adjusted effective interest rate to the asset's amortized cost.

2) For purchased or originated non-credit-impaired financial assets that subsequently become credit-impaired, the Company calculates interest income during subsequent periods by applying the effective interest rate to the asset's amortized cost. If the credit risk of the financial instrument improves in subsequent periods such that credit impairment no longer exists, the Company will revert to calculating and recognizing interest income by multiplying the effective interest rate by the book balance of the financial asset.

(2) Classification as financial assets measured at fair value through other comprehensive income

If the contractual terms of a financial asset specify that cash flows will be solely payments of principal and interest on the principal amount outstanding, and the business model for managing the asset is intended both to collect contractual cash flows and to sell the asset, the Company classifies the asset as a financial asset measured at fair value through other comprehensive income.

The Company recognizes interest income for these financial assets using the effective interest method. Except for interest income, impairment losses, and exchange differences recognized in profit or loss, all other fair value changes are recognized in other comprehensive income. When such financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Notes receivable and accounts receivable measured at fair value through other comprehensive income are reported as receivables financing, while other similar financial assets are reported as other debt investments. Among these, other debt investments maturing within one year from the balance sheet date are classified as current assets, while those originally maturing within one year but extended to beyond one year are classified as non-current assets within one year.

(3) Designation as financial assets measured at fair value through other comprehensive income

At initial recognition, the Company may irrevocably designate non-trading equity instruments as financial assets measured at fair value through other comprehensive income on a single asset basis.

For these financial assets, changes in fair value are recorded in other comprehensive income without the need for impairment provisions. When such financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to retained earnings. During the period in which the Company holds these equity instrument investments, if the Company has the right to receive dividends, the economic benefits associated with the dividends are likely to flow to the Company, and the amount of dividends can be reliably measured, the Company recognizes dividend income in profit or loss. The Company reports such financial assets under the equity instrument investments category.

Equity instrument investments meeting one of the following conditions are classified as financial assets measured at fair value through profit or loss: the main purpose of acquiring the financial asset is for near-term sale; at initial recognition, it is part of a concentrated portfolio of identifiable financial assets managed as a whole, and there is objective evidence of a short-term profit-taking model; or it is a derivative instrument (excluding those that qualify as financial guarantees and derivatives designated as effective hedging instruments).

(4) Classification as financial assets measured at fair value through profit or loss

Financial assets that do not meet the criteria for classification as financial assets measured at amortized cost or fair value through other comprehensive income, and are not designated as fair value through other comprehensive income, are classified as financial assets measured at fair value through profit or loss.

The Company measures such financial assets at fair value and recognizes gains or losses from fair value changes, along with dividends and interest income associated with these financial assets, in the current period's profit or loss.

The Company reports these financial assets in the financial assets at fair value through profit or loss or other non-current financial assets categories based on their liquidity.

(5) Designation as financial assets measured at fair value through profit or loss

At initial recognition, the Company may irrevocably designate a financial asset, on an individual basis, as measured at fair value through profit or loss to eliminate or significantly reduce accounting mismatches.

When a hybrid contract contains one or more embedded derivatives and the host contract does not fall into one of the financial asset categories previously mentioned, the Company may designate the entire hybrid contract as a financial instrument measured at fair value through profit or loss. However, there are exceptions to this rule:

1) Embedded derivatives do not significantly modify the cash flows of the hybrid contract.

2) When determining whether similar hybrid contracts need to be split at initial recognition, it is almost unnecessary to analyze whether embedded derivatives should be split. For instance, embedded options such as prepayment rights in loans, which allow the holder to repay the loan at an amount close to the amortized cost, do not require splitting.

The Company measures such financial assets at fair value and recognizes gains or losses from fair value changes, along with dividends and interest income associated with these financial assets, in the current period’s profit or loss.

The Company reports these financial assets in the financial assets at fair value through profit or loss or other non-current financial assets categories based on their liquidity.

2. Classification, recognition, and measurement of financial liabilities

The Company classifies a financial instrument, or its component parts, as a financial liability or an equity instrument based on the contractual terms and the economic substance rather than solely on legal form. This classification is determined at initial recognition by reference to the definitions of financial liabilities and equity instruments. Financial liabilities are classified into three categories at initial recognition: financial liabilities measured at fair value through profit or loss, other financial liabilities, derivative instruments designated as effective hedging tools.

Financial liabilities are initially measured at fair value. For financial liabilities measured at fair value through profit or loss, related transaction costs are expensed in the current period’s profit or loss. For other types of financial liabilities, transaction costs are included in the initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

(1) Financial liabilities measured at fair value through profit or loss

This category includes trading financial liabilities (including derivative instruments classified as financial liabilities) and financial liabilities designated at initial recognition as measured at fair value through profit or loss.

A financial liability is considered a trading financial liability if it meets any of the following conditions: the primary purpose for incurring the financial liability is to sell or repurchase it in the near term; it is part of a portfolio of identifiable financial instruments managed as a group, with objective evidence indicating that the entity is adopting a short-term profit-taking approach; it is a derivative instrument, except for derivatives designated as effective hedging instruments and those that meet the definition of financial guarantee contracts. Trading financial liabilities (including derivatives that are classified as financial liabilities) are subsequently measured at fair value. All changes in fair value, except those related to hedge accounting, are recorded in the current period’s profit or loss.

At initial recognition, the Company may irrevocably designate a financial liability as measured at fair value through profit or loss to provide more relevant accounting information if one of the following conditions is met:

1) It can eliminate or significantly reduce accounting mismatches.

2) According to formally documented risk management or investment strategies, the Company manages and evaluates the performance of a portfolio of financial liabilities or a combination of financial assets and liabilities based on fair value, and this information is reported to key management personnel within the Company on this basis.

The Company measures these financial liabilities at fair value on a subsequent basis. Changes in fair value resulting from fluctuations in the Company’s own credit risk are recorded in other comprehensive income, while other changes in fair value are recognized in the current period’s profit or loss. However, if recording changes in fair value due to fluctuations in the Company’s own credit risk in other comprehensive income would create or exacerbate an accounting mismatch in profit or loss, the Company records all changes in fair value, including those resulting from credit risk, in the current period’s profit or loss.

(2) Other financial liabilities

Except for the following, the Company classifies financial liabilities as financial liabilities measured at amortized cost, applying the effective interest method for subsequent measurement, with any gains or losses arising from derecognition or amortization recognized in the current period’s profit or loss:

1) Financial liabilities measured at fair value through profit or loss.

2) Financial liabilities arising from financial asset transfers that do not meet the derecognition criteria or where there is continued involvement in the transferred financial assets.

3) Financial guarantee contracts that do not fall into the first two categories, as well as loan commitments to lend at a below-market interest rate that do not fall into the first category.

A financial guarantee contract is defined as a contract requiring the issuer to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts that are not designated as financial liabilities measured at fair value through profit or loss are subsequently measured at the higher of: (a) the loss allowance calculated based on the expected credit loss model, and (b) the amount initially recognized minus the cumulative amortization during the guarantee period.

3. Derecognition of financial assets and financial liabilities

(1) A financial asset is derecognized, meaning it is removed from the accounts and the balance sheet, if it meets one of the following conditions:

1) The contractual right to receive cash flows from the financial asset has expired.

2) The financial asset has been transferred, and the transfer meets the criteria for derecognizing financial assets.

(2) Conditions for derecognition of financial liabilities

A financial liability (or a portion thereof) is derecognized when the related present obligation has been discharged.

If the Company enters into an agreement with a lender to replace an existing financial liability with a new one, and the terms of the new financial liability are substantially different from those of the original, or if there is a substantial modification of the terms of the original financial liability (or a portion thereof), the original financial liability is derecognized, and a new financial liability is recognized. The difference between the carrying value of the original financial liability and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in the current period’s profit or loss.

If the Company repurchases a portion of a financial liability, the carrying value of the entire financial liability is allocated based on the relative fair value of the continuing recognized portion and the derecognized portion at the reacquisition date. The difference between the carrying value allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in the current period’s profit or loss.

4. Basis for recognizing and methods of measuring financial asset transfers

When the Company transfers financial assets, it assesses the extent to which it retains the risks and rewards of ownership of the financial asset. The treatment depends on the following situations:

(1) If the Company has transferred substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and separately recognizes any rights and obligations arising from or retained in the transfer as assets or liabilities.

(2) If the Company retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset.

(3) In cases where neither the transfer nor the retention of substantially all risks and rewards occurs (i.e., scenarios other than (1) and (2)), the treatment depends on whether control over the financial asset is retained:

1) If control over the financial asset is not retained, the asset is derecognized, and any rights and obligations arising from the transfer are recognized separately as assets or liabilities.

2) If control over the financial asset is retained, the asset is continued to be recognized to the extent of the Company’s continuing involvement with the transferred financial asset. The extent of continuing involvement refers to the degree to which the Company bears the risks or enjoys the rewards associated with the value changes of the transferred financial asset.

When determining whether a transfer of financial assets meets the conditions for derecognition described above, the principle of substance over form is applied. The Company distinguishes between a complete transfer of financial assets and a partial transfer.

(1) If a complete transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts is recognized in the current period's profit or loss:

1) The carrying value of the transferred financial assets on the derecognition date.

2) The consideration received as a result of the transfer, along with the portion of any cumulative fair value changes previously recognized in other comprehensive income that corresponds to the derecognized part (for financial assets measured at fair value through other comprehensive income that were part of the transfer).

(2) If a partial transfer of a financial asset meets the conditions for derecognition for the entire portion being transferred, the carrying value of the original financial asset prior to the transfer is allocated between the portion to be derecognized and the portion to be retained (including any retained service assets treated as part of the continuing financial asset) based on the relative fair values at the transfer date. The difference between the following two amounts is then recognized in the current period's profit or loss:

1) The carrying value of the portion to be derecognized at the date of derecognition.

2) The consideration received for the portion being transferred, along with the portion of any cumulative fair value changes previously recognized in other comprehensive income that corresponds to the portion being derecognized (for financial assets measured at fair value through other comprehensive income that were part of the transfer).

If the transfer of financial assets does not meet the conditions for derecognition, the financial asset continues to be recognized, and the consideration received from the transfer is recognized as a financial liability.

5. Methods for determining the fair value of financial assets and financial liabilities

For financial assets or financial liabilities that are traded in an active market, fair value is determined based on the quoted price in the active market, unless the financial asset is subject to a restriction period. For financial assets with a restriction on sale, the fair value is determined by deducting from the quoted price the amount of compensation that market participants would require for bearing the risk of not being able to sell the financial asset in a public market during a specified period. A quoted price in an active market includes prices that can be easily and regularly obtained from exchanges, dealers, brokers, industry groups, pricing services, or regulatory institutions and generally represents actual and frequent market transactions on a fair trading basis.

The fair value of financial assets or financial liabilities initially acquired or derived is based on the market transaction price.

If there is no active market for a financial asset or financial liability, valuation techniques are used to determine the fair value. When using valuation techniques, the Company uses methods that are appropriate for the current circumstances and are supported by sufficient available data and other information, selecting inputs consistent with the characteristics of the asset or liability that market participants would consider in a transaction involving that asset or liability. When possible, the Company prioritizes the use of relevant observable inputs. If observable inputs are not available or are not practicable to obtain, unobservable inputs are used.

6. Impairment of financial assets

The Company applies an expected credit loss model to financial assets measured at amortized cost, financial assets classified as fair value through other comprehensive income, lease receivables, contract assets, loan commitments that are not measured at fair value through profit or loss, financial guarantee contracts not designated as fair value through profit or loss, and financial liabilities arising from transfers of financial assets that do not meet derecognition criteria or involve continued involvement with the transferred financial assets. An allowance for expected credit loss is recognized to account for impairment.

Expected credit loss represents the weighted average of credit losses on a financial instrument, weighted by the risk of default. Credit loss is the difference between all contractual cash flows due to the Company, discounted at the original effective interest rate, and the expected cash flows to be received, representing the present value of all cash shortfalls. For financial assets that are purchased or originated credit-impaired, the expected credit loss is discounted using the credit-adjusted effective interest rate.

The Company measures the loss allowance for all contract assets, notes receivable, and accounts receivable arising from transactions covered by income standards, as well as lease receivables, including finance lease receivables and operating lease receivables from transactions regulated by leasing standards, at the expected credit loss for the entire life of the asset.

For purchased or originated credit-impaired financial assets, only cumulative changes in expected credit loss over the entire life of the asset since initial recognition are recognized as a loss allowance on the balance sheet date. On each balance sheet date, the change in expected credit loss for the entire lifetime is recorded as impairment loss or gain in the current period’s profit or loss. If the expected credit loss for the entire lifetime determined on the balance sheet date is less than the estimated expected credit loss from the cash flows at the initial recognition, favorable changes in expected credit loss are still recognized as impairment gains.

For other financial assets, excluding those that use the simplified measurement approach and those that are purchased or originated credit-impaired, the Company evaluates whether the credit risk of the relevant financial instruments has significantly increased since initial recognition on each balance sheet date. The loss allowance is measured, and expected credit losses and their changes are recognized according to the following stages:

(1) Stage 1: If the credit risk of the financial instrument has not significantly increased since initial recognition, the loss allowance is measured at an amount equivalent to the expected credit loss for the next 12 months. Interest income is calculated based on the carrying balance and the effective interest rate.

(2) Stage 2: If the credit risk of the financial instrument has significantly increased since initial recognition but has not yet been credit-impaired, the loss allowance is measured at an amount equivalent to the expected credit loss over the instrument’s entire lifetime. Interest income is calculated based on the carrying balance and the effective interest rate.

(3) Stage 3: If the financial instrument has become credit-impaired after initial recognition, the loss allowance is measured at an amount equivalent to the expected credit loss over the instrument’s entire lifetime. Interest income is calculated based on the amortized cost and the effective interest rate.

The increase or reversal of the loss allowance for credit losses on financial instruments is recognized as impairment loss or gain in the current period’s profit or loss. For financial assets not classified as fair value through other comprehensive income, the loss allowance reduces the carrying amount of the financial asset. For financial assets classified as fair value through other comprehensive income, the loss allowance is recognized in other comprehensive income without reducing the carrying value of the financial asset presented on the balance sheet.

If a loss allowance has been previously measured based on the expected credit loss over the entire lifetime of a financial instrument in a prior accounting period, but the financial instrument no longer falls into the category of significant increase in credit risk since initial recognition at the current balance sheet date, the Company measures the loss allowance at the amount equivalent to the expected credit loss for the next 12 months. The reversal resulting from this change is recognized as impairment gain in the current period’s profit or loss.

(1) Significant increase in credit risk

The Company assesses whether the credit risk of a financial instrument has significantly increased since initial recognition by using available reasonable and supportable forward-looking information. This assessment involves comparing the risk of default on the balance sheet date with the risk of default at initial recognition. For financial guarantee contracts, the initial recognition date used for applying financial instrument rules is the date when the Company becomes a party to the irrevocable commitment to provide the guarantee.

When assessing whether credit risk has significantly increased, the Company considers the following factors:

1) Whether the debtor’s actual or expected operating results have significantly changed;

2) Whether the regulatory, economic, or technological environment in which the debtor operates has significantly deteriorated;

3) Whether there have been significant changes in the value of collateral or the quality of third-party guarantees or credit enhancements, which could reduce the debtor’s economic motivation to repay within the contractual terms or increase the probability of default;

4) Whether the debtor’s expected performance and repayment behavior have significantly changed;

5) Whether there have been changes in the Company’s credit management practices for the financial instrument, etc.

As of the balance sheet date, if the Company determines that a financial instrument has only a low credit risk, it is assumed that the credit risk of the financial instrument has not significantly increased since initial recognition. A financial instrument is considered to have low credit risk if the risk of default is relatively low, the borrower has a strong capacity to meet its contractual cash flow obligations in the short term, and even in the case of adverse changes in economic conditions or the operating environment over a longer period, the borrower's ability to meet its contractual cash flow obligations is not necessarily compromised.

(2) Credit-impaired financial assets

A financial asset becomes credit-impaired when one or more events that adversely affect the expected future cash flows of the financial asset have occurred. Evidence of credit impairment for financial assets includes the following observable information:

1) Signs of significant financial difficulties experienced by the issuer or debtor;

2) The debtor breaches contract terms, such as defaults or delays in the payment of interest or principal;

3) The creditor grants concessions to the debtor related to the debtor's financial distress that would not have been given under other circumstances;

4) The debtor is likely to declare bankruptcy or engage in other financial restructuring;

5) The active market for the financial asset disappears due to financial distress of the issuer or debtor;

6) If a financial asset is purchased or originated at a significant discount, reflecting credit losses.

Credit impairment of financial assets may result from the combined effect of multiple events and not necessarily from a single identifiable event.

(3) Determining expected credit losses

The Company evaluates expected credit losses for financial instruments based on individual and collective assessments. When assessing ECL, the Company considers reasonable and supportable information related to past events, current conditions, and forecasts of future economic conditions.

The Company groups financial instruments into different portfolios based on common credit risk characteristics. Common credit risk characteristics used by the Company include the following: type of financial instrument, credit risk rating, aging of accounts, past due aging, contract settlement cycle, industry sector of the debtor, among others. Standards for individual evaluation and common credit risk characteristics for portfolio-based assessments for relevant financial instruments are detailed in the Company's financial instrument accounting policies.

The Company determines the expected credit loss for relevant financial instruments using the following methods:

1) Financial assets: The credit loss is the present value of the difference between the contractual cash flows due to the Company and the expected cash flows to be received.

2) Lease receivables: The credit loss is the present value of the difference between the contractual cash flows due to the Company and the expected cash flows to be received.

3) Financial guarantee contracts: The credit loss is the expected payment to the contract holder for the credit loss incurred, minus the present value of amounts expected to be recovered by the Company from the contract holder, the debtor, or any other party.

4) Credit-impaired financial assets: If a financial asset has become credit-impaired as of the balance sheet date but was not purchased or originated credit-impaired, the credit loss is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The method for measuring expected credit loss for financial instruments considers the following factors: the unbiased, probability-weighted average amount determined by evaluating a range of possible outcomes; the time value of money; reasonable and supportable information related to past events, current conditions, and forecasts of future economic conditions available as of the balance sheet date without incurring unnecessary additional costs or efforts.

(4) Write-offs of financial assets

The Company directly writes off the carrying balance of a financial asset when it no longer reasonably expects to recover all or part of the contractual cash flows from the financial asset. Such a write-off constitutes derecognition of the related financial asset.

7. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other.

However, they are presented on a net basis in the balance sheet if both of the following conditions are met:

(1) The Company has a legally enforceable right to offset the recognized amounts, and this right is currently enforceable;

(2) The Company intends to settle on a net basis or to realize the financial asset and settle the financial liability simultaneously.

## 12. Notes receivable

The Company's methods for determining and accounting for expected credit losses on notes receivable are detailed in Note (XI) 6. Impairment of Financial Assets.

If sufficient evidence for expected credit loss cannot be reasonably assessed at the individual instrument level, the Company uses historical credit loss experience, in combination with current conditions and expectations of future economic conditions, to categorize notes receivable into several portfolios based on common credit risk characteristics. The expected credit loss is then calculated on a portfolio basis. The criteria for determining portfolios are as follows:

| Portfolio name | Basis for determining portfolio | Provisioning method |
|---|---|---|
| Banker's acceptance portfolio | 1. The issuer has a high credit rating, no history of default, and a very low credit loss risk, with a strong ability to fulfill its contractual cash flow obligations in the short term; 2. Banks other than those with high credit ratings. | The Company references historical credit loss experience, considers current conditions, and forecasts future economic conditions to calculate the expected credit loss based on exposure to default risk and the expected credit loss rate over the entire lifetime |
| Commercial bills portfolio | Primarily issued by reputable large state-owned enterprises and listed companies, with no significant history of default based on past experience | The Company references historical credit loss experience, considers current conditions, and forecasts future economic conditions to calculate the expected credit loss based on exposure to default risk and the expected credit loss rate over the entire lifetime |

## 13. Accounts receivable

The Company's methods for determining and accounting for expected credit losses on accounts receivable are detailed in Note (XI) 6. Impairment of Financial Assets.

The Company separately determines the credit loss for accounts receivable with a significant individual amount that has become credit-impaired after initial recognition.

If sufficient evidence for expected credit loss cannot be reasonably assessed at the individual instrument level, the Company uses historical credit loss experience, in combination with current conditions and expectations of future economic conditions, to categorize accounts receivable into several portfolios based on common credit risk characteristics. The expected credit loss is then calculated on a portfolio basis. The criteria for determining portfolios are as follows:

| Portfolio name | Basis for determining portfolio | Provisioning method |
|---|---|---|

| | | |
|---|---|---|
| Intra-group transactions portfolio | Receivables among related parties within the consolidated group are considered to have similarly low credit risk characteristics | The Company references historical credit loss experience, considers current conditions, and forecasts future economic conditions to create a table correlating accounts receivable aging with expected credit loss rates over the entire lifetime to calculate the expected credit loss |
| Aging portfolio | The Company classifies accounts receivable into credit risk portfolios based on aging, making the best estimate for provisioning rates based on past historical experience | The Company references historical credit loss experience, considers current conditions, and forecasts future economic conditions to create a table correlating accounts receivable aging with expected credit loss rates over the entire lifetime to calculate the expected credit loss |

## 14. Receivables financing

Notes receivable and accounts receivable classified as measured at fair value through other comprehensive income with a maturity period of one year or less (including one year) from initial recognition are presented as "Receivables Financing". Those with a maturity period of more than one year from initial recognition are presented as "Other Debt Investments". The relevant accounting policies are disclosed in Note (XI), Financial Instruments.

## 15. Other receivables

The company’s methods for determining and accounting for expected credit losses on other receivables are detailed in Note (XI) 6. Impairment of Financial Assets.

The Company separately determines the credit loss for other receivables with a significant individual amount that has become credit-impaired after initial recognition.

If sufficient evidence for expected credit loss cannot be reasonably assessed at the individual instrument level, the Company uses historical credit loss experience, in combination with current conditions and expectations of future economic conditions, to categorize other receivables into several portfolios based on common credit risk characteristics. The expected credit loss is then calculated on a portfolio basis. The criteria for determining portfolios are as follows:

| Portfolio name | Basis for determining portfolio | Provisioning method |
|---|---|---|
| Intra-group transactions and security deposits portfolio | Other receivables among related parties within the consolidated group exhibit similarly low credit risk characteristics. Security deposits and other receivables for deposits exhibit similarly low credit risk characteristics | The Company references historical credit loss experience, considers current conditions, and forecasts future economic conditions to calculate the expected credit loss based on exposure to default risk and the expected credit loss rate for the next 12 months or over the entire lifetime |
| Aging portfolio | Receivables with similar characteristics are classified based on similar credit risk features | The Company references historical credit loss experience, considers current conditions, and forecasts future economic conditions to calculate the expected credit loss based on exposure to default risk and the expected credit loss rate for the next 12 months or over the entire lifetime |

## 16. Contract assets

When the Company has the right to receive consideration from clients for goods transferred, and this right depends on factors other than the passage of time, it is recognized as a contract asset. Unconditional rights to receive consideration (where the only condition is the passage of time) are separately presented as receivables.
The Company’s methods for determining and accounting for expected credit losses on contract assets are detailed in Note (XI) 6. Impairment of Financial Assets.

## 17. Inventories

1. Classification of inventories
Inventories comprise the finished products or merchandise held by the Company for sale in the ordinary course of business, or work in progress or in the process of production for such sale, or in the form of materials and supplies to be consumed in the production process or in the rendering of services. The main categories include raw materials, inventory merchandise, dispatched goods, etc.
2. Measurement methods of inventories
Inventory is initially measured at cost, which includes purchase costs, processing costs, and other costs. The Company uses the first-in, first-out method to value issued inventory.
3. Basis for determining the net realizable value of inventories and methods for provision of inventory impairment
At the end of each period, after a comprehensive inventory check, the Company makes or adjusts inventory write-down provisions based on the lower of cost and net realizable value (NRV). The NRV for finished goods, inventory merchandise, and materials held for sale directly in the normal course of business is determined as the estimated selling price minus estimated selling expenses and related taxes and fees. The NRV for materials inventory that requires further processing is determined as the estimated selling price of the finished products minus estimated costs to complete, estimated selling expenses, and related taxes and fees. For inventory held to fulfill sales or service contracts, the NRV is based on the contract price. If the inventory held exceeds the contract quantity, the excess inventory’s NRV is calculated based on general selling prices.
Inventory write-down provisions are made based on individual inventory items at the end of the period. However, for large quantities of low-cost items, the Company makes write-down provisions based on inventory categories. For inventories related to a series of products produced and sold in the same region, with similar or identical end-use or purpose, and difficult to separate from other items for measurement, the Company makes write-down provisions collectively.
If the factors that caused the inventory to be written down no longer exist, the Company reverses the write-down to the extent of the original provision amount. The reversal amount is recognized in the current period’s profit or loss.
4. Inventory system
The inventory accounting system follows the perpetual inventory method.
5. Amortization method for low-value consumables and packaging materials
(1) Low-value consumables are amortized using the one-time write-off method;
(2) Packaging materials are amortized using the one-time write-off method.
(3) Other revolving materials are amortized using the one-time write-off method.

## 18. Assets held for sale

1. Criteria for recognizing assets held for sale
The Company recognizes as held for sale components non-current assets or disposal groups that meet both of the following conditions:
(1) The assets or disposal groups can be sold immediately based on the usual practices for selling such assets in similar

transactions;

(2) A sale is highly probable, indicating that the Company has approved a sale plan, has obtained regulatory approval (if applicable), and has a firm purchase commitment. The sale is expected to be completed within one year.

A firm purchase commitment is a legally binding purchase agreement between the Company and another party, containing key terms like transaction price, timing, and severe penalties for breach, minimizing the likelihood of significant changes or cancellation of the agreement.

2. Method for accounting for assets held for sale

The Company does not provide for depreciation or amortization on non-current assets or disposal groups classified as held for sale. If the carrying value of these assets is higher than the net amount of fair value minus costs to sell, the carrying value is written down to the net amount of fair value minus costs to sell. The write-down amount is recognized as an asset impairment loss and included in the current period's profit or loss, while simultaneously creating a provision for impairment of held-for-sale assets.

For non-current assets or disposal groups classified as held for sale at the acquisition date, the initial measurement is the lower of the hypothetical initial measurement as if they were not classified as held for sale, and the fair value minus costs to sell.

The above principles apply to all non-current assets except investment properties that are measured using the fair value model, biological assets measured at fair value minus costs to sell, assets arising from employee compensation, deferred tax assets, financial assets covered by financial instrument accounting standards, and rights arising from insurance contracts governed by relevant insurance accounting standards.

## 19. Debt investments

## 20. Other debt investments

## 21. Long-term receivables

## 22. Long-term equity investments

1. Determination of initial investment cost

(1) For long-term equity investments arising from business combinations, the specific accounting policies are detailed in Note (6) under the accounting treatment methods for business combinations under common control and not under common control.

(2) Long-Term equity investments acquired by other means

The initial investment cost for long-term equity investments acquired through cash payment is the actual purchase price paid. This cost includes directly related fees, taxes, and other necessary expenses.

When long-term equity investments are acquired through the issuance of equity securities, the initial investment cost is the fair value of the issued equity securities. Transaction costs incurred during the issuance or acquisition of the Company's own equity instruments that can be directly attributed to the equity transaction are deducted from equity.

For non-monetary asset exchanges with commercial substance and reliable measurement of the fair value of the exchanged assets, the initial investment cost for the long-term equity investment received is based on the fair value of the asset given up, unless there is conclusive evidence that the fair value of the asset received is more reliable. If the non-monetary asset exchange does not meet the above conditions, the initial investment cost is the book value of the asset given up plus any related taxes due.

When long-term equity investments are obtained through debt restructuring, the initial investment cost is determined based on fair value.

2. Subsequent measurement and profit/loss recognition

(1) Cost method

For long-term equity investments where the Company can exert control over the investee, the cost method is used for accounting. Under this method, investments are measured at their initial investment cost, with any additional or withdrawn investment adjusting the cost of the long-term equity investment.

Except for cash dividends or profits that have been declared but not yet distributed included in the purchase price or consideration at the time of acquisition, the Company recognizes investment income for the current period based on the cash dividends or profits declared by the investee.

(2) Equity method

The Company uses the equity method to account for long-term equity investments in associates and joint ventures. For some investments in associates indirectly held through venture capital organizations, mutual funds, trust companies, or similar entities, including unit-linked funds, the fair value measurement method is applied, with changes recognized in profit or loss.

If the initial investment cost of the long-term equity investment is greater than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, no adjustment is made to the initial investment cost of the long-term equity investment. If the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognized in the current period's profit or loss.

After acquiring a long-term equity investment, the Company recognizes investment income and other comprehensive income based on its share of the investee's realized net profit or loss and other comprehensive income, respectively, while adjusting the carrying value of the long-term equity investment. The carrying value is also reduced by the portion of profits or cash dividends declared by the investee that the Company is entitled to receive. For changes in the owner's equity of the investee, other than net profit or loss, other comprehensive income, and profit distribution, the Company adjusts the carrying value of the long-term equity investment and recognizes it in owner's equity.

When recognizing the Company's share of the net profit or loss of the investee, adjustments are made based on the fair value of the investee's identifiable assets at the time of investment to determine the share of net profit. Unrealized gains or losses from internal transactions between the Company and associates or joint ventures are eliminated according to the Company's share. Based on this, the Company recognizes investment profit or loss.

When the Company is required to share in the losses incurred by the investee, the treatment is as follows: First, reduce the carrying value of long-term equity investment. Secondly, if the carrying value of the long-term equity investment is insufficient to cover the losses, the Company continues to recognize investment losses up to the carrying value of other long-term interests that substantially represent a net investment in the investee. This might include reducing the carrying value of long-term receivables and other similar items. Finally, if the above steps are insufficient and the Company is still obligated to assume additional liabilities according to the investment contract or agreement, the Company recognizes accrued liabilities for the expected obligations, which is treated as an investment loss in the current period.

When the investee generates profits in subsequent periods, the Company offsets the losses following the reverse order of the steps above. After deducting the share of previously unrecognized losses, the Company reduces the carrying value of any recognized accrued liabilities, restores the carrying value of other long-term interests that substantially represent a net investment in the investee, and restores the carrying value of the long-term equity investment. After these steps, any remaining profits are recognized as investment income.

3. Conversion of long-term equity investment accounting methods

- From fair value measurement to equity method

When the Company originally holds an equity investment in an investee without control, joint control, or significant influence and accounts for it under financial instruments recognition and measurement standards, but later gains significant influence or joint control through additional investment or other reasons without achieving control, the transition to equity method accounting is made. The initial investment cost for transitioning to the equity method is the sum of the fair value of the originally held equity investment (as determined under *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*) and the additional investment cost.

If the initial investment cost for the equity method is less than the share of the fair value of the identifiable net assets of the investee (based on the new ownership proportion after additional investment), the difference is added to the carrying value of the long-term equity investment and recognized as non-operating revenue in the current period.

- From fair value measurement or equity method to cost method

For equity investments originally accounted for under financial instruments recognition and measurement standards without control, joint control, or significant influence over the investee, or for long-term equity investments in associates or joint ventures, if additional investment or other reasons lead to gaining control over the investee not under the same control, the transition to cost method accounting is made. The initial investment cost for transitioning to the cost method is the sum of the carrying value of the originally held equity investment and the additional investment cost, used when preparing separate financial statements.

Any other comprehensive income recognized due to equity method accounting for equity investments held before the acquisition date is accounted for using the same basis as directly disposing of related assets or liabilities of the investee when disposing of the investment.

For equity investments held before the acquisition date and accounted for under *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, the cumulative fair value changes previously recognized in other comprehensive income are transferred to the current period's profit or loss upon transition to the cost method accounting.

- Transition from equity method to fair value measurement

If the Company loses joint control or significant influence over an investee due to partial disposal of equity investments or other reasons, the remaining equity after disposal is accounted for under *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*. The difference between the fair value of the remaining equity at the date of losing joint control or significant influence and its carrying value is recognized in the current period's profit or loss.

Any other comprehensive income previously recognized due to equity method accounting for the original equity investment is treated the same way as if disposing of related assets or liabilities of the investee when ceasing to use the equity method. This means transferring such other comprehensive income to the current period's profit or loss.

- Transition from cost method to equity method

If the Company loses control over an investee due to partial disposal of equity investments or other reasons, and the remaining equity after disposal allows the Company to exert joint control or significant influence over the investee, the accounting method is changed to the equity method in the separate financial statements. The remaining equity is adjusted as if the equity method had been used since the initial acquisition.

- Transition from cost method to fair value measurement

If the Company loses control over an investee due to partial disposal of equity investments or other reasons, and the remaining equity after disposal no longer allows the Company to exert joint control or significant influence over the investee, the accounting method is changed to comply with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* in the separate financial statements. The difference between the fair value of the remaining equity on the date of losing control and its carrying value is recognized in the current period's profit or loss.

4. Disposal of long-term equity investments

When disposing of long-term equity investments, the difference between the carrying value and the actual consideration received should be recognized in the current period's profit or loss. For long-term equity investments accounted for using the equity method, the relevant portion of other comprehensive income is adjusted according to the same basis as if directly disposing of related assets or liabilities, in proportion to the investment disposed of.

If the terms, conditions, and economic effects of the disposal of equity investments in subsidiaries meet one or more of the following criteria, multiple transactions are treated as a single bundled transaction for accounting purposes:

- The transactions are agreed upon simultaneously or with consideration of their mutual impact;
- The transactions together achieve a complete commercial result;

- The occurrence of one transaction depends on the occurrence of at least one other transaction;
- A transaction is economically unfeasible on its own, but becomes viable when considered with other transactions.

If the Company loses control over a former subsidiary due to the disposal of part of an equity investment or other reasons, and it is not part of a bundled transaction, accounting treatment differs for separate financial statements and consolidated financial statements:

(1) In the separate financial statements, the difference between the carrying value of the disposed equity and the actual consideration received is recognized in the current period's profit or loss. If the remaining equity after disposal allows the Company to exert joint control or significant influence over the investee, the equity method is used for accounting, and the remaining equity is adjusted as if it had been accounted for under the equity method since its acquisition. If the remaining equity does not allow the Company to exert joint control or significant influence over the investee, the accounting treatment follows *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*. The difference between the fair value of the remaining equity on the day control is lost and its carrying value is recognized in the current period's profit or loss.

(2) In the consolidated financial statements, for all transactions prior to losing control of a subsidiary, the difference between the disposal proceeds and the share of the subsidiary's net assets that has been calculated continuously from the acquisition date or the consolidation date is adjusted against capital reserve (share premium). If the capital reserve is insufficient to offset this difference, retained earnings are adjusted accordingly. When control over a subsidiary is lost, the remaining equity is remeasured at fair value as of the date control is lost. The difference between the sum of the disposal proceeds and the fair value of the remaining equity, minus the share of the subsidiary's net assets calculated based on the original ownership proportion, is recognized as investment income for the period in which control is lost, while goodwill is written off. Other comprehensive income related to the original equity investment in the subsidiary is reclassified to current-period investment income when control is lost.

If multiple transactions related to the disposal of a subsidiary's equity investment result in the loss of control, and they are part of a bundled transaction, all transactions are treated as a single transaction for accounting purposes, with different accounting treatment in separate and consolidated financial statements:

(1) In separate financial statements, the difference between the proceeds from each disposal and the carrying value of the long-term equity investment corresponding to the disposed equity before losing control is recognized as other comprehensive income. When control is lost, this accumulated other comprehensive income is reclassified into profit or loss for the period in which control is lost.

(2) In the consolidated financial statements, the difference between the disposal price and the share of the subsidiary's net assets corresponding to the disposal investment prior to the loss of control is recognized as other comprehensive income and transferred to profit or loss in the period when control is lost.

5. Criteria for judging joint control and significant influence

The Company is deemed to jointly control an arrangement with other participants if there is a collective control agreement, and decisions about activities that significantly affect the returns from the arrangement require unanimous consent from parties sharing control. In this case, the arrangement is considered a joint arrangement.

If the joint arrangement is established through a separate entity, and the relevant agreements indicate that the Company has rights to the net assets of the separate entity, the entity is classified as a joint venture, and the equity method is used for accounting. If the agreements indicate that the Company does not have rights to the net assets of the separate entity, the entity is classified as a joint operation, and the Company recognizes and accounts for items related to its share of interests in the joint operation according to the Accounting Standards for Business Enterprises.

Significant influence refers to an investor's ability to participate in financial and operating policy decisions of an investee without having control or joint control with other parties over these policies. The Company judges that it has significant influence over an investee by considering one or more of the following factors and comprehensively evaluating all facts and circumstances:

(1) having a representative on the investee's Board of Directors or similar authoritative bodies; (2) participating in the process of formulating the investee's financial and operating policies; (3) engaging in significant transactions with the investee; (4) assigning key management personnel to the investee; (5) providing the investee with critical technical resources or data.

## 23. Investment property

Measurement method for investment property

Fair value measurement

Basis for selecting fair value measurement

Investment property refers to real estate held for rental income, capital appreciation, or both. This category includes leased land use rights, land use rights held for resale after appreciation, and leased buildings. Additionally, vacant buildings held by the Company for leasing operations, where the Board of Directors has made a written resolution indicating they are intended for leasing operations with no planned change in the near future, are also reported as investment property.

The Company's investment property is recorded at cost. The cost of purchased investment property includes the purchase price, related taxes, and other directly attributable expenses. For investment property constructed in-house, the cost includes necessary expenditures incurred up to the point where the asset is ready for its intended use.

The Company uses the cost model for subsequent measurement of investment property, applying depreciation or amortization to buildings and land use rights based on their estimated useful lives and net residual value rates. The estimated useful lives, residual value rates, and annual depreciation (amortization) rates for investment properties are as follows:

| Classification | Depreciation method | Depreciation period (years) | Residual value rate (%) |
|---|---|---|---|
| Investment real estate | Straight-line method | Based on the property ownership certificate | 5 |

When the use of an investment property changes to self-use, the Company reclassifies the investment property to fixed assets or intangible assets from the date of change. When the use of a self-used property changes to generate rental income or capital appreciation, the Company reclassifies the fixed asset or intangible asset to investment property from the date of change. At the time of reclassification, the book value before the change is used as the initial carrying value after the change.

If investment property is disposed of, or permanently taken out of use with no expectation of deriving economic benefits from its disposal, the investment property is derecognized. The difference between the proceeds from the disposal, transfer, scrapping, or destruction and its carrying value, net of related taxes, is recognized in the current period's profit or loss.

## 24. Fixed assets

### (1) Recognition criteria

Fixed assets refer to tangible assets held for the production of goods, provision of services, leasing, or operational management, with a useful life exceeding one accounting year. A fixed asset is recognized when it meets the following conditions:

(1) It is probable that the economic benefits associated with the asset will flow to the enterprise;

(2) The cost of the fixed asset can be reliably measured.

## (2) Depreciation method

| Classification | Depreciation method | Period of Depreciation | Residual value rate | Annual depreciation rate |
|---|---|---|---|---|
| Houses and buildings | Straight-line method | Based on the property certificate's usage period | 5 | |
| Fixed asset renovation | Straight-line method | 10 years or up to the property certificate's usage period | 5 | |
| Testing equipment | Straight-line method | 5-10 years | 5 | 19.00-9.50 |
| Transportation equipment | Straight-line method | 5 years | 5 | 19 |
| Office equipment | Straight-line method | 5 years | 5 | 19 |

1. Initial measurement of fixed assets

The Company's fixed assets are initially measured at cost.

(1) The cost of purchased fixed assets includes the purchase price, import duties, and other related taxes, as well as any other directly attributable expenses incurred to bring the fixed asset to a condition for its intended use.

(2) The cost of self-constructed fixed assets comprises all necessary expenses incurred before the asset is ready for its intended use.

(3) Fixed assets contributed by investors are recorded at the value agreed upon in the investment contract or agreement. If the value in the contract or agreement is not fair, the fixed asset is recorded at its fair value.

(4) If the purchase price of a fixed asset involves a payment that exceeds normal credit terms, indicating financing in nature, the cost of the fixed asset is determined based on the present value of the purchase price. The difference between the actual amount paid and the present value of the purchase price, except for amounts that should be capitalized, is recognized in the current period's profit or loss over the credit period.

2. Subsequent measurement and disposal of fixed assets

(1) Depreciation of fixed assets

Depreciation is calculated based on the book value of a fixed asset, after deducting the estimated residual value, over its estimated useful life. For fixed assets that have impairment provisions, the depreciation is calculated based on the net book value after deduction of the impairment provision and using the remaining useful life. Fixed assets that have been fully depreciated but are still in use are not subject to additional depreciation.

The Company determines the useful life and estimated residual value of fixed assets based on their nature and usage. At the end of each year, the Company reviews the useful life, estimated residual value, and depreciation method for fixed assets. If there are differences from prior estimates, appropriate adjustments are made.

(2) Subsequent expenditures on fixed assets

Subsequent expenditures related to fixed assets are added to the cost of the fixed asset if they meet the recognition criteria for fixed assets; if not, they are recognized as expenses in the current period's profit or loss.

(3) Impairment of fixed assets

The impairment test methods and impairment provision methods for property, plant, and equipment are detailed in Note (XXX), Impairment of Long-term Assets.

(4) Disposal of fixed assets

A fixed asset is derecognized when it is disposed of, or when it is no longer expected to generate economic benefits through use or disposal. Proceeds from the sale, transfer, scrapping, or destruction of a fixed asset, net of its carrying value and related taxes, are recognized in the current period's profit or loss.

## 25. Construction in progress

1. Initial measurement of construction in progress
The Company's self-constructed construction in progress is measured at actual cost, which comprises all necessary expenditures incurred before the asset reaches a predetermined usable condition. These expenditures include the cost of construction materials, labor costs, relevant taxes paid, capitalized borrowing costs, allocated indirect costs, etc.
2. Criteria and timing for transferring construction in progress to property, plant, and equipment
All expenses incurred to construct the asset before it reaches a predetermined usable condition are treated as the fixed asset's book value. If the constructed asset has reached the predetermined usable condition but has not yet been finalized, it is transferred to fixed assets based on the estimated value from budget estimates, costs, or other relevant metrics. Depreciation is calculated according to the Company's fixed asset depreciation policy. Once the final accounts are settled, the estimated value is adjusted to the actual cost without adjusting the already accrued depreciation.

## 26. Borrowing costs

1. Criteria for capitalization of borrowing costs
Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized and included in the cost of the related asset. Other borrowing costs are recognized as expenses when incurred and are recorded in the current period's profit or loss.
A qualifying asset is an asset that requires a substantial period of time for acquisition, construction, or production to reach its intended use or sale condition. This includes fixed assets, investment properties, and inventories that meet these criteria.
Borrowing costs are capitalized when all of the following conditions are met:
(1) Asset expenditures have been incurred, including cash payments, non-cash asset transfers, or incurring interest-bearing debt related to the acquisition, construction, or production of a qualifying asset;
(2) Borrowing costs have occurred;
(3) Construction or production activities required to bring the asset to a condition where it is ready for its intended use or sale have commenced.
2. Period of capitalization for borrowing costs
The capitalization period refers to the time from when borrowing costs begin to be capitalized to when they stop being capitalized. Periods when borrowing costs are suspended from capitalization are not included.
Borrowing costs stop being capitalized when a qualifying asset reaches its intended use or sale condition.
If portions of a qualifying asset under construction are completed and can be used separately, the capitalization of borrowing costs for those portions is stopped.
However, if parts of a constructed or produced asset are completed, but the asset can only be used or sold after the entire asset is finished, borrowing costs stop being capitalized when the whole asset is completed.
3. Suspension of capitalization
Borrowing costs are suspended from capitalization if there is an abnormal interruption in the construction or production of a qualifying asset, and the interruption lasts for more than three consecutive months. If the interruption is a necessary procedure for the asset to reach its intended use or sale condition, then borrowing costs continue to be capitalized. During the suspension period, borrowing costs are recognized as expenses in the current period's profit or loss until the construction or production activities resume, after which borrowing costs resume capitalization.
4. Method for calculating the capitalized amount of borrowing costs
For specific borrowings, interest costs (less interest income from depositing unused borrowings into banks or returns from temporary investments) and related ancillary costs are capitalized until the qualifying asset being constructed or produced reaches its intended use or sale condition.

For general borrowings, the capitalized amount of interest is calculated by applying the capitalization rate to the weighted average of the cumulative asset expenditure exceeding the amount financed by specific borrowings. The capitalization rate is determined by calculating the weighted average interest rate of general borrowings.
If there is a discount or premium on the borrowings, the discount or premium amount to be amortized for each accounting period is determined using the effective interest method, adjusting the interest amount for each period accordingly.

### 27. Biological assets

### 28. Oil and gas assets

### 29. Intangible assets

### (1) Useful life, determination basis, estimation, amortization method, or review process

Intangible assets are identifiable non-monetary assets without physical substance that the Company owns or controls. These assets include land use rights, software, trademark rights, patent technology, and rights to sublease talent apartments.
1. Initial measurement of intangible assets
The cost of purchased intangible assets includes the purchase price, related taxes, and other expenditures directly attributable to bringing the asset to its intended use. If the purchase price of an intangible asset involves a payment beyond normal credit terms, suggesting a financing nature, the cost of the intangible asset is determined based on the present value of the purchase price.
If intangible assets are acquired through debt restructuring, their book value is determined based on the fair value of the assets used for debt settlement. The difference between the book value of the restructured debt and the fair value of the intangible asset used to settle the debt is recognized in the current period’s profit or loss.
When a non-monetary asset exchange has commercial substance and the fair value of the assets being exchanged can be reliably measured, the fair value of the asset given up is used as the basis for the book value of the intangible asset received, unless there is conclusive evidence that the fair value of the asset received is more reliable. If the exchange does not meet these conditions, the book value of the asset given up and any related taxes to be paid are used to determine the cost of the intangible asset received. Profit or loss is not recognized in this case.
For intangible assets acquired through an enterprise absorption merger under common control, the book value of the merged entity is used to determine the book value of the acquired intangible asset. For intangible assets acquired through an absorption merger under non-common control, fair value is used to determine the book value of the acquired intangible asset.
The cost of internally developed intangible assets includes the following: materials and labor costs incurred during the development of the intangible asset; registration fees and amortization of other patents and franchises used in the development process; capitalized interest costs meeting the capitalization conditions; other direct expenses incurred to make the intangible asset ready for its intended use.
2. Subsequent measurement of intangible assets
The Company analyzes and determines the useful life of intangible assets at the time of acquisition, classifying them as having a finite or indefinite useful life.
(1) Intangible assets with a finite useful life
Intangible assets with a finite useful life are amortized using the straight-line method over the period in which they are expected to provide economic benefits to the Company. The estimated useful life and the basis for the estimate for intangible assets with a finite useful life are as follows:

| Items | Estimated service life | Basis |
|---|---|---|
| Land use rights | Based on the usage period in the land | Lower of contractual or legal terms |

| Items | Estimated service life | Basis |
|---|---|---|
| | use certificate | |
| Software | 5 years | The period during which the intangible asset is expected to provide economic benefits to the Company |
| Trademark rights | 5 years | The period during which the intangible asset is expected to provide economic benefits to the Company |
| Patent technology | 5 years | The period during which the intangible asset is expected to provide economic benefits to the Company |
| Talent housing sublease rights | | The period during which the intangible asset is expected to provide economic benefits to the Company |

Note: According to Clause 10 of the *Shenzhen Bao'an District Enterprise Talent Public Rental Housing Purchase Contract*, the purchaser must apply for a repurchase by the seller under the following circumstances: (1) The Company's registered location is moved out of Bao'an District; (2) The Company declares bankruptcy; (3) The purchased housing needs to be transferred; (4) The purchased housing is disposed of due to prior bank mortgage rights; (5) The housing is subject to court enforcement due to economic disputes; (6) The housing must be repurchased due to violations of applicable laws, regulations, rules, or normative documents.

(2) Intangible assets with an indefinite useful life

If the period during which an intangible asset is expected to bring economic benefits to the enterprise cannot be reasonably foreseen, it is considered to have an indefinite useful life. Intangible assets with indefinite useful lives are as follows:

| Items | Basis for indefinite useful lives |
|---|---|
| Others | Intangible assets with indefinite useful lives are not amortized. |

Note: Others include the CNAS qualification acquired by the company through asset acquisition in 2024. Since the qualification can be renewed at minimal cost upon expiration, it is classified as intangible assets with indefinite useful lives

For intangible assets with indefinite useful lives, no amortization is recorded during the holding period. At the end of each reporting period, the useful life is reassessed. If the reassessment still concludes that the useful life is indefinite, impairment testing is performed in each accounting period.

The impairment test methods and impairment provision methods for property, plant, and equipment are detailed in Note (XXX), Impairment of Intangible Assets.

## (2) Scope of R&D expenditure collection and related accounting treatment

1. Specific standards for distinguishing between the research phase and development phase in internal R&D projects

Research phase: This phase involves original and planned investigation or exploration activities aimed at obtaining and understanding new scientific or technical knowledge.

Development phase: This phase involves applying research findings or other knowledge to a plan or design to produce new or substantially improved materials, devices, products, etc., before commercial production or use.

Expenditures for the research phase in internal R&D projects are expensed to the current period's profit or loss as they are incurred.

2. Specific criteria for capitalization of expenditures in the development phase

Expenditures in the development phase of internal R&D projects are recognized as intangible assets if all of the following conditions are met:

(1) It must be technically feasible to complete the intangible asset so that it can be used or sold;

(2) There must be an intention to complete the intangible asset and use or sell it;

(3) There must be a clear method by which the intangible asset will generate economic benefits. This can be demonstrated by showing that there is a market for the products produced with the intangible asset or for the intangible asset itself, or that the asset will be useful if it is internally used;
(4) There must be adequate technical, financial, and other resources to complete the development of the intangible asset, and there must be the ability to use or sell it;
(5) The expenditures attributable to the development phase of the intangible asset must be reliably measurable.

## 30. Long-term asset impairment

At the balance sheet date, the Company assesses whether there are any indications of impairment in long-term assets. If there are signs of impairment in long-term assets, the recoverable amount is estimated on a single-asset basis; if it is difficult to estimate the recoverable amount for individual assets, the recoverable amount is determined based on the asset group to which the asset belongs.
The recoverable amount is estimated by selecting the higher of the following two values: the net fair value (fair value minus costs to sell) and the present value of the asset's expected future cash flows.
If the measurement of the recoverable amount indicates that the recoverable amount of long-term assets is lower than their carrying value, the carrying value is written down to the recoverable amount. The amount written down is recognized as an asset impairment loss, recorded in the current period's profit or loss, and a corresponding asset impairment provision is made. Once an asset impairment loss is recognized, it cannot be reversed in subsequent accounting periods.
After an asset impairment loss is recognized, the depreciation or amortization expense for the impaired asset is adjusted in future periods to systematically allocate the adjusted carrying value (minus estimated net residual value) over the remaining useful life.
Goodwill arising from business combinations and intangible assets with indefinite useful lives are tested for impairment every year, regardless of whether there are indications of impairment.
When conducting impairment testing for goodwill, the carrying value of goodwill is allocated to the asset group or groups of assets that are expected to benefit from the synergies of the business combination. During impairment testing involving asset groups or combinations that include goodwill, if there are indications of impairment related to the asset groups or combinations containing goodwill, impairment testing is first conducted on the asset groups or combinations that do not include goodwill. The recoverable amount is calculated and compared with the relevant carrying values to determine any impairment losses. Subsequently, impairment testing is performed on the asset groups or combinations containing goodwill, comparing their carrying values (including the allocated portion of goodwill) with their recoverable amounts. If the recoverable amount of the asset group or combination is lower than its carrying value, impairment losses for goodwill are recognized.

## 31. Long-term unamortized expenses

1. Amortization methods
Long-term deferred expenses are expenses that the Company has already incurred but are to be amortized over a period of more than one year. These expenses are amortized in a straight-line manner over the benefit period.

## 32. Contract liabilities

The Company recognizes contract liabilities for obligations to transfer goods to clients for which consideration has been received or is due from clients.

## 33. Salaries

### (1) Accounting treatment for short-term compensation

Employee compensation refers to all forms of remuneration or compensation provided by the Company in exchange for services rendered by employees or to terminate an employment relationship. Employee compensation includes short-term compensation, post-employment benefits, termination benefits, and other long-term employee benefits.

2. Short-term salaries

Short-term compensations are employee compensation that are expected to be paid in full within twelve months after the end of the annual reporting period during which the employees provided the related services, excluding post-employment benefits and termination benefits. The Company recognizes a liability for short-term benefits to be paid as a result of services rendered by employees during the accounting period. These amounts are recorded as liabilities and are allocated to the appropriate asset costs and expenses depending on the recipients of the services provided by the employees.

### (2) Accounting treatment for post-employment benefits

Post-employment benefits refer to various forms of compensation and benefits provided by the Company to employees upon retirement or termination of employment, excluding short-term benefits and termination benefits.

The Company’s post-employment benefit plans are classified into defined contribution plans and defined benefit plans.

Post-employment defined contribution plans mainly include participation in social basic pension insurance and unemployment insurance organized and implemented by local labor and social security authorities. During the accounting period in which employees provide services to the Company, the contribution amounts calculated under the defined contribution plans are recognized as liabilities and charged to profit or loss or the cost of related assets.

Once the Company has made regular payments according to the standards and pension plans prescribed by the state, there are no further payment obligations.

### (3) Accounting treatment for termination benefits

Termination benefits refer to compensation provided by the Company when terminating an employee’s contract before its expiration, or as an incentive to encourage employees to voluntarily accept redundancy. The Company recognizes a liability for termination benefits at the earlier of when it can no longer unilaterally retract the plan to terminate employment or propose a redundancy, and when it confirms costs or expenses related to restructuring involving termination benefits. This liability is recognized in the current period’s profit or loss.

The Company provides internal retirement benefits to employees who opt for early retirement arrangements. Internal retirement benefits are payments, including wages and social insurance premiums, to employees who, with management approval, leave work voluntarily but have not yet reached the official retirement age set by the state. From the commencement of the internal retirement arrangement until the employee reaches the normal retirement age, the Company pays internal retirement benefits. For internal retirement benefits, the Company applies the same accounting treatment as for termination benefits. Upon meeting the relevant criteria for recognizing termination benefits, the Company recognizes the liability for internal retirement benefits, including salaries and social insurance premiums payable from the time the employee stops providing services until the normal retirement age, and this amount is recorded in the current period’s profit or loss as a one-time expense. Any variations due to changes in actuarial assumptions or adjustments in benefit standards are recognized in the current period’s profit or loss when they occur.

### (4) Accounting treatment of other long-term employee benefits

Other long-term employee benefits refer to all employee benefits other than short-term benefits, post-employment benefits, and termination benefits.
For other long-term employee benefits that meet the criteria for defined contribution plans, the Company recognizes the amount payable as a liability during the accounting period when employees provide services and records it in the current period's profit or loss or as part of the relevant asset cost. For other long-term employee benefits not covered by the above condition, independent actuaries use the projected unit credit method at the balance sheet date to calculate the benefit obligation for defined benefit plans. The resulting benefit obligation is allocated to the period when the employee provided services, and the amount is recognized in the current period's profit or loss or as part of the relevant asset cost.

## 34. Estimated liabilities

1. Recognition criteria for accrued liabilities
A provision is recognized when the following conditions are met for an obligation related to a contingent liability:
The obligation is a present obligation of the Company;
It is probable that an outflow of economic benefits will be required to settle the obligation;
The amount of the obligation can be reliably estimated.
2. Measurement method for accrued liabilities
The Company initially measures accrued liabilities at the best estimate of the expenditure required to settle the related present obligation.
When determining the best estimate, the Company comprehensively considers risks, uncertainties, and the time value of money associated with contingent events. For obligations where the time value of money is significant, the best estimate is determined by discounting future cash outflows.
The best estimate is determined as follows:
If there is a range of possible outcomes for the expenditure, and each outcome within that range is equally likely, the best estimate is calculated as the midpoint of the range, which is the average of the upper and lower limits.
If there is no continuous range for the expenditure or if there's a range but the likelihood of various outcomes within the range is not equally probable: if the contingent event involves a single item, the best estimate is the most likely outcome; if the contingent event involves multiple items, the best estimate is calculated based on the various possible outcomes and their associated probabilities.
If the Company expects to receive compensation from a third party for some or all of the expenditure required to settle the accrued liabilities, the compensation is recognized as an asset only when it is virtually certain that it will be received. The recognized compensation amount should not exceed the carrying value of the accrued liabilities.

## 35. Share payment

1. Types of share-based payments
The Company has two types of share-based payments: equity-settled share-based payments and cash-settled share-based payments.
2. Methods for determining the fair value of equity instruments
For granted options or other equity instruments with an active market, the fair value is determined based on market quotes. For granted options or other equity instruments without an active market, the fair value is determined using an option pricing model. Factors considered in selecting the option pricing model include: (1) exercise price of the option; (2) term of the option; (3) current price of the underlying shares; (4) expected volatility of the share price; (5) expected dividends on the shares; (6) risk-free interest rate over the option's term.

When determining the fair value of equity instruments on the grant date, the effects of market conditions and non-vesting conditions specified in the share-based payment agreement are taken into account. If a share-based payment includes non-vesting conditions, costs or expenses associated with received services are recognized as long as employees or other parties meet all non-market conditions for vesting (such as service period).

3. Basis for determining the best estimate of vested equity instruments

During the vesting period, the best estimate for the number of equity instruments expected to vest is adjusted at each balance sheet date based on updated information, such as changes in the number of employees expected to meet vesting conditions. The estimated number of equity instruments to vest is revised accordingly. On the vesting date, the final estimated number of equity instruments expected to vest is made to be consistent with the actual number of vested instruments.

4. Accounting treatment methods

Equity-settled share-based payments are measured at the fair value of the equity instruments granted to employees. If the grant is immediately vested, the fair value of the equity instruments is recognized as costs or expenses on the grant date, with a corresponding increase in capital reserve. If vesting is subject to completing a service period or meeting specified performance conditions, the recognized cost or expense is spread over the vesting period. Each balance sheet date during the vesting period, the recognized amount is adjusted based on the best estimate of equity instruments expected to vest. After the vesting date, no further adjustments are made to the recognized costs, expenses, or total equity.

Cash-settled share-based payments are measured at the fair value of the liability calculated based on the shares or other equity instruments the Company is obligated to pay. If the grant is immediately vested, the fair value of the liability on the grant date is recognized as costs or expenses, with a corresponding increase in liabilities. If vesting is subject to completing a service period or meeting specified performance conditions, each balance sheet date during the vesting period, the recognized costs or expenses are adjusted based on the best estimate of the fair value of the liability. Before the liability is settled, the fair value of the liability is remeasured at each balance sheet date and on the settlement date, with changes in value recognized in the current period’s profit or loss.

If granted equity instruments are canceled during the vesting period, the Company treats the cancellation as accelerated vesting, recognizing the entire amount to be recognized over the remaining vesting period immediately in the current period’s profit or loss while also recognizing capital reserve. If employees or other parties have a choice to meet non-vesting conditions but fail to meet them during the vesting period, the Company treats this as a cancellation of the granted equity instruments.

## 36. Other financial instruments, including preferred shares and perpetual bonds

The Company classifies other financial instruments, such as preferred shares and perpetual bonds, based on their contractual terms and the economic substance they represent, rather than solely by their legal form. In accordance with financial instrument standards and definitions of financial liabilities and equity instruments, the Company categorizes these instruments or their components as either financial liabilities or equity instruments upon initial recognition:

1. A financial instrument issued by the Company is classified as a financial liability if it meets one of the following conditions:

(1) It has a contractual obligation to deliver cash or other financial assets to another party;

(2) It has a contractual obligation to exchange financial assets or financial liabilities with another party under potentially unfavorable conditions;

(3) It is a non-derivative contract that will or may require settlement in the Company’s own equity instruments, and the contract will require delivering a variable number of the Company’s equity instruments;

(4) It is a derivative contract that will or may require settlement with the Company’s own equity instruments, except for contracts that exchange a fixed number of the Company’s equity instruments for a fixed amount of cash or other financial assets.

2. If the following conditions are met at the same time, the issued financial instruments shall be classified as equity instruments:

(1) The financial instrument does not contain a contractual obligation to deliver cash or other financial assets to another party, nor does it contain a contractual obligation to exchange financial assets or financial liabilities with another party under potentially

unfavorable conditions;
(2) For non-derivative instruments, the financial instrument must not contain a contractual obligation to settle with a variable number of the Company’s equity instruments; for derivative instruments, the instrument must be settled only by exchanging a fixed number of the Company’s equity instruments for a fixed amount of cash or other financial assets.
3. Accounting treatment methods
For financial instruments classified as equity instruments: interest expenses or dividend distributions are considered profit distribution for the issuing enterprise. Transactions like repurchase or cancellation are treated as changes in equity. Fees, commissions, and other transaction costs are deducted from equity;
For financial instruments classified as financial liabilities: interest expenses or dividend distributions are generally treated as borrowing costs. Gains or losses from repurchase or redemption are recorded in the current period’s profit or loss. Fees, commissions, and other transaction costs are included in the initial measurement of the financial instrument.

## 37. Income

Accounting policy for income recognition and measurement by business type

The Company’s primary source of income is from testing services.
1. General principles for income recognition
The Company recognizes income when it has fulfilled its contractual performance obligations, which occurs when the client gains control of the related goods or services. Income is recognized based on the transaction price allocated to that specific performance obligation.
A performance obligation refers to the promise in a contract where the Company commits to transfer a distinct good or service to the client.
Gaining control of a good means having the ability to direct its use and receive substantially all the economic benefits from it.
The Company evaluates a contract at its inception to identify the distinct performance obligations within the contract and to determine whether each performance obligation is satisfied over time or at a point in time. A performance obligation is considered to be satisfied over a period of time if it meets one of the following conditions: (1) The client receives and consumes the economic benefits provided by the Company’s performance as the Company fulfills its obligations; (2) The client has control over the goods being constructed as the Company fulfills its obligations; (3) The goods produced during the Company’s performance have no alternative use, and the Company has an enforceable right to payment for the performance completed to date during the entire contract period. Otherwise, the Company recognizes income at the point in time when the client gains control over the related goods or services.
For performance obligations fulfilled over a period of time, the Company determines the appropriate level of progress using the output method/input method based on the nature of the goods and services. The output method measures progress based on the value of goods transferred to the client relative to the total goods to be transferred (the input method measures progress based on the Company’s efforts expended to fulfill the performance obligation). When the progress cannot be reasonably determined, and it is probable that the costs incurred will be reimbursed, income is recognized based on the costs incurred until progress can be reasonably determined.
2. Specific methods of income recognition
The Company primarily conducts sample testing and project-based testing in the fields of trade assurance, consumer goods, industrial products, life sciences, pharmaceuticals and medical services. 1. Income from sample testing is recognized when the following conditions are met: the testing service has been completed, and the test report has been delivered to the client, confirming the realization of income. 2. For project-based testing income recognition, the following conditions must be met: for income from providing technical services to clients, recognition occurs once the related performance obligations have been fulfilled; for engineering-related testing income, recognition occurs when the client gains control of the testing service.

3. Income recognition principles for specific transactions

(1) Contracts with sales return provisions

When a contract includes a sales return provision, income is recognized at the point when the client gains control of the related goods. The recognized income is based on the consideration the Company expects to be entitled to for the transferred goods (i.e., not including the expected refund due to sales returns). A liability is recognized for the expected amount to be refunded due to sales returns.

The carrying value of goods expected to be returned when sales are made, minus the anticipated costs to recover those goods (including impairment due to the returned goods' reduced value), is recorded under "Estimated Returned Goods Costs".

(2) Contracts with quality assurance provisions

Assess whether the quality assurance is merely a guarantee that the sold goods meet specified standards or whether it provides an additional separate service to the client. If the Company offers additional services, it is treated as a separate performance obligation and accounted for under the income recognition standard. Otherwise, the quality assurance liability is accounted for under the accounting standards for contingencies.

(3) Sales contracts with client options for additional purchases

The Company assesses whether the client's option provides a significant right to the client. If it does, the option is treated as a separate performance obligation, and the transaction price is allocated to that obligation. Income is recognized when the client exercises the option and gains control of the goods, or when the option expires. If the stand-alone selling price for the client's additional purchase option cannot be directly observed, the Company makes a reasonable estimate by considering all relevant information, including the difference in discounts between clients who exercise the option and those who do not, as well as the likelihood of the client exercising the option.

(4) Contracts granting intellectual property licenses to clients

The Company assesses whether the intellectual property license constitutes a separate performance obligation. If it does, the Company determines whether it is fulfilled over a period of time or at a point in time. If the contract grants a license for intellectual property to clients and includes provisions for royalty payments based on the client's actual sales or usage, revenue is recognized at the later of the following: when the client's subsequent sales or usage activity occurs; when the Company has fulfilled the related performance obligation.

(5) Sale and repurchase

1) Contracts with obligations to repurchase due to forward arrangements with clients: In contracts where the Company has a forward obligation to repurchase goods, the client does not gain control of the goods at the point of sale. Therefore, these transactions are accounted for as either lease transactions or financing transactions. If the repurchase price is lower than the original selling price, the contract is treated as a lease transaction and accounted for according to the relevant rules in the Accounting Standards for Business Enterprises. If the repurchase price is not lower than the original selling price, it is treated as a financing transaction. In this case, a financial liability is recognized when the client payment is received, and the difference between the client payment and the repurchase price is recognized as interest expense over the repurchase period. If the Company does not exercise its repurchase right by the expiration date, the financial liability is derecognized at that time, and revenue is recognized.

2) Contracts with repurchase obligations at the client's request: If the client has significant economic incentives, the transaction is treated as a lease or financing transaction and accounted for according to the guidelines in subsection 1. If not, it is treated as a sales transaction with a sales return provision.

(6) Contracts for initial fees with no right of return from clients

Initial fees collected from clients at or near the contract inception date, which are non-refundable, should be included in the transaction price. After evaluation, if the initial fee is related to goods committed to be transferred to the client and those goods represent a distinct performance obligation, revenue is recognized at the point of transferring those goods based on the portion of the transaction price allocated to them. If the initial fee is related to goods committed to be transferred but those goods do not represent a distinct performance obligation, revenue is recognized when the performance obligation containing those goods is satisfied, based on the portion of the transaction price allocated to that performance obligation. If the initial fee is not related to goods committed to be transferred to the client, it is recognized as deferred income until the goods are transferred in the future.

Different revenue recognition methods and measurement approaches may apply for similar businesses with different operating models.

## 38. Contract costs

1. Contract fulfillment costs

The Company recognizes as a contract fulfillment cost an asset that meets the following conditions and is not within the scope of other Accounting Standards for Business Enterprises outside the revenue standard:

(1) The cost must be directly related to a current or expected contract, including direct labor, direct materials, manufacturing overhead (or similar costs), costs explicitly reimbursed by the client, and other costs incurred solely due to the contract;

(2) The cost must contribute to resources the Company will use to fulfill performance obligations in the future;

(3) The cost is expected to be recoverable.

This asset is classified as inventory or other non-current assets based on whether the amortization period at initial recognition exceeds a typical operating cycle.

2. Contract acquisition costs

The Company recognizes as a contract acquisition cost an asset that represents incremental costs incurred to obtain a contract and is expected to be recoverable. Incremental costs are those that would not have been incurred if the contract had not been obtained, such as sales commissions. If the amortization period for these costs does not exceed one year, the costs are expensed to the profit or loss when incurred.

3 Amortization of contract costs

Assets associated with contract costs are amortized on the same basis as the recognition of revenue for the related goods or services. This is done at the point when the performance obligation is fulfilled or based on the progress of performance. The amortized amount is recorded in the current period’s profit or loss.

4. Impairment of contract costs

If the carrying value of assets associated with contract costs exceeds the difference between the expected remaining consideration for the transfer of related goods and the estimated costs to complete the transfer, an impairment loss is recognized. The impairment loss is recorded as an asset impairment loss in the current period.

If, after recognizing an impairment loss, the factors causing the impairment change such that the above difference exceeds the carrying value of the asset, the previously recognized impairment loss may be reversed and recorded in the current period’s profit or loss. However, the reversal should not increase the asset’s carrying value to exceed its carrying value if no impairment had been recognized.

## 39. Government subsidies

1. Types

Government subsidies refer to the monetary and non-monetary assets that the Company receives from the government without compensation. According to the provisions of the relevant government documents regarding the target of the subsidies, government subsidies are classified as government subsidies related to assets and government subsidies related to income.

Government subsidies related to assets are those grants received by the Company to purchase, construct, or otherwise form long-term assets. Government subsidies related to income are all government subsidies other than those related to assets.

2. Recognition of government subsidies

If there is evidence at the end of the period indicating that the Company can meet the conditions stipulated by the fiscal support policy and it is expected that fiscal support funds will be received, the government grant is recognized based on the expected receivable amount. Otherwise, all government subsidies are recognized upon actual receipt.

For monetary government subsidies, they are measured at the amount received or receivable. For non-monetary government subsidies, they are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount (CNY 1). Government subsidies measured at nominal value are directly recorded in profit or loss for the period.

3. Accounting treatment methods

The Company determines whether a particular type of government grant should be accounted for using the gross method or the net method, based on the economic substance of the transaction. Generally, the Company uses a single method for similar or analogous types of government subsidies and consistently applies that method to those transactions.

For government subsidies related to assets, the grant can either reduce the carrying value of the related assets or be recognized as deferred income. When government subsidies related to assets are recognized as deferred income, they are systematically recognized in profit or loss over the useful life of the constructed or purchased asset.

For government subsidies related to income, if they are intended to compensate for expenses or losses in future periods, they are recognized as deferred income and recorded in profit or loss during the period in which the related expenses or losses are recognized, or used to offset related costs. If the grants are intended to compensate for expenses or losses already incurred, they are recorded directly in profit or loss or used to offset related costs when received.

Government subsidies related to the Company’s routine activities are recorded in other income or used to offset related costs and expenses; government subsidies unrelated to routine activities are recorded in non-operating revenue and expenses.

Government subsidies received in connection with interest subsidies on policy loans are used to offset related borrowing costs. If a policy loan with a preferential interest rate is obtained from a bank, the book value of the loan is recognized at the actual loan amount received, with borrowing costs calculated based on the principal and the policy preferential interest rate.

When a previously recognized government grant must be returned, if it initially reduced the carrying value of a related asset, the asset’s carrying value is adjusted. If there is a balance in the related deferred income account, it is reduced, and any excess is recorded in profit or loss for the period. If there is no related deferred income balance, it is directly recorded in profit or loss for the period.

## 40. Deferred tax assets/deferred tax liabilities

Deferred tax assets and deferred tax liabilities are recognized based on temporary differences between the tax bases of assets and liabilities and their carrying values. As of the balance sheet date, deferred tax assets and deferred tax liabilities are measured using the applicable tax rates expected to be in effect during the period in which the asset is realized or the liability is settled.

1. Basis for recognizing deferred tax assets

The Company recognizes deferred tax assets arising from deductible temporary differences, allowable tax loss carryforwards, and tax credits only to the extent that it is probable that taxable income will be available against which the deductible temporary differences or tax losses can be used in future periods. However, deferred tax assets arising from the initial recognition of an asset or liability from transactions with the following characteristics are not recognized: (1) the transaction is not a business combination; (2) at the time of the transaction, it neither affects accounting profit nor taxable income or deductible loss.

For deductible temporary differences related to investments in associates, the corresponding deferred tax assets are recognized if both of the following conditions are met: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable income will be available in the future to offset the deductible temporary difference.

2. Basis for recognizing deferred tax liabilities

The Company recognizes deferred tax liabilities for taxable temporary differences arising in the current and prior periods that have not yet been settled. However, the following are excluded:

(1) Temporary differences arising from the initial recognition of goodwill;

(2) Temporary differences arising from transactions or events that are not business combinations and, at the time of the transaction, neither affect accounting profit nor taxable income or deductible loss;
(3) For taxable temporary differences related to investments in subsidiaries and associates, if the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
3. Deferred tax assets and deferred tax liabilities are presented net when the following conditions are met
(1) The Company has a legally enforceable right to set off current income tax assets against current income tax liabilities;
(2) Deferred tax assets and deferred tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but in each future period in which significant deferred tax assets and deferred tax liabilities are expected to reverse, the taxable entities intend to settle on a net basis or simultaneously realize the assets and settle the liabilities.

### 41. Leases

### (1) Accounting treatment for leases as lessee

### (2) Accounting treatment for leases as lessor

On the commencement date of the contract, the Company evaluates whether a contract is or contains a lease. A contract is considered a lease, or contains a lease, if one party transfers the right to control the use of one or more identified assets for a specified period in exchange for consideration.
1. Separation of lease contracts
If a contract contains multiple separate leases, the Company separates the contract and accounts for each distinct lease individually.
2. Combination of lease contracts
The Company combines two or more contracts containing leases, signed with the same counterparty or its related parties at the same or near the same time, into a single contract for accounting purposes if any of the following conditions are met:
(1) The two or more contracts are negotiated as part of a single commercial arrangement and the overall business objective cannot be understood without considering them as a whole.
(2) The consideration of one contract depends on the pricing or performance of another contract.
(3) The rights to use the assets conveyed by these two or more contracts together represent a single lease.
3. Accounting treatment for the Company as a lessee
On the commencement date of the lease term, the Company recognizes a right-of-use asset and a lease liability, except for short-term leases and low-value asset leases for which simplified accounting treatment is applied.
(1) Short-term leases and low-value asset leases
A short-term lease is a lease with a lease term of no more than 12 months and without a purchase option. A low-value asset lease refers to a lease where the individual leased asset is of low value when it is new, typically a lease of assets with a value of no more than CNY 40,000.
The Company does not recognize right-of-use assets and lease liabilities for such short-term leases and low-value asset leases. The related lease payments are expensed over the lease term on a straight-line basis or other systematic and reasonable methods and are recognized in the cost of the related assets or in profit or loss for the period.

| Items | Lease asset categories for simplified treatment |
| --- | --- |
| Short-term leases | Buildings and structures, machinery and equipment, and electronic devices |
| Low-value asset leases | Machinery and equipment, and electronic devices |

The Company recognizes right-of-use assets and lease liabilities for short-term leases and low-value asset leases other than those mentioned above [if applicable].

4. Accounting treatment for the Company as a lessor
(1) Classification of leases
The Company classifies leases as either finance leases or operating leases at the lease commencement date. A finance lease is one that substantially transfers all risks and rewards incidental to ownership of the leased asset, whether or not ownership ultimately transfers. An operating lease is any lease other than a finance lease.
A lease is generally classified as a finance lease by the Company if one or more of the following conditions are met:
1) Ownership of the leased asset is transferred to the lessee at the end of the lease term.
2) The lessee has a purchase option, with the stipulated purchase price sufficiently lower than the expected fair value of the leased asset at the time the option is exercised, such that it is reasonable to assume that the lessee will exercise the option at the lease commencement date.
3) Although ownership does not transfer, the lease term encompasses a major part of the leased asset’s useful life.
4) At the lease commencement date, the present value of the lease payments is nearly equivalent to the fair value of the leased asset.
5) The leased asset is of a specialized nature, such that only the lessee can use it without significant modification.
A lease may also be classified as a finance lease by the Company if one or more of the following indicators are present:
1) If the lessee cancels the lease, the lessee bears the cost of losses incurred by the lessor due to the cancellation.
2) The gains or losses from fluctuations in the fair value of the asset’s residual value accrue to the lessee.
3) The lessee has the ability to continue leasing at rents substantially lower than market levels in subsequent periods.
(2) Accounting treatment for finance leases
At the lease commencement date, the Company recognizes a receivable for finance leases and derecognize the leased asset.
When initially measuring the finance lease receivable, the carrying value is determined by summing the present value of the unguaranteed residual value and the present value of the lease payments not yet received, discounted at the lease’s implicit interest rate. The lease payments include:
1) Fixed lease payments and substantially fixed payments after deducting any lease incentives;
2) Variable lease payments that depend on an index or rate;
3) If it is reasonably certain that the lessee will exercise a purchase option, the lease payments include the exercise price of the purchase option;
4) If the lease term indicates that the lessee will exercise a termination option, the lease payments include any amount payable for exercising the termination option;
5) The guaranteed residual value provided to the lessor by the lessee, a related party of the lessee, or an independent third party with sufficient financial capacity to fulfill the guarantee.
The Company calculates and recognizes interest income for each period within the lease term using the fixed implicit rate of the lease. Any variable lease payments not included in the net investment in the lease are recorded in profit or loss when they occur.
(3) Accounting treatment for operating leases
The Company recognizes lease receipts from operating leases as rental income over the lease term on a straight-line basis or other systematic and reasonable method. Initial direct costs related to operating leases are capitalized and allocated over the lease term using the same basis as rental income recognition, with the costs recognized in profit or loss over time. Variable lease payments not included in lease receipts for operating leases are recognized in profit or loss when they occur.
5 Sale and leaseback transactions
(1) The Company as seller and lessee
If the asset transfer in a sale and leaseback transaction qualifies as a sale, the Company measures the right-of-use asset arising

from the leaseback at the portion of the carrying value of the original asset related to the right of use obtained from the leaseback. The Company recognizes gains or losses only to the extent of the rights transferred to the lessor. If the fair value of the sale consideration differs from the fair value of the asset, or if the lessor does not charge market-based rent, the Company accounts for the difference between the sale consideration and the market price as follows: if the consideration is below market price, it is treated as prepaid rent; if it is above market price, it is treated as additional financing provided by the lessor to the lessee. In both cases, the associated gain or loss from the sale is adjusted to reflect fair value.

If the asset transfer in a sale and leaseback transaction does not qualify as a sale, the Company continues to recognize the transferred asset and recognizes a financial liability equivalent to the transfer consideration.

(2) The Company as buyer and lessor

If the asset transfer in a sale and leaseback transaction qualifies as a sale, the Company accounts for the asset purchase accordingly and treats the leaseback under the lease standards. If the fair value of the sale consideration differs from the asset's fair value, or if the Company does not charge market-based rent, the Company accounts for the difference as follows: if the consideration is below market price, it is treated as prepaid rent; if it is above market price, it is treated as additional financing provided to the lessee. In both cases, rental income is adjusted to reflect market prices.

If the asset transfer in a sale and leaseback transaction does not qualify as a sale, the Company recognizes a financial asset equivalent to the transfer consideration.

## 42. Other significant accounting policies and estimates

(I) Discontinued operations

The Company classifies a separately distinguishable component as discontinued operations if it meets one of the following conditions and has been disposed of or classified as held for sale:

(1) The component represents a separate major line of business or a separate major geographical area of operations.

(2) The component is part of a single coordinated plan to dispose of a separate major line of business or a separate major geographical area of operations.

(3) The component is a subsidiary acquired exclusively for resale.

Impairment losses, reversals of impairment losses, and gains or losses on disposal related to discontinued operations are presented as discontinued operations in the income statement.

(II) Share repurchases

During the reporting period, the Company repurchased its own shares

Based on an assessment of the Company's value and a firm belief in its future sustainable development, the share repurchase was undertaken to protect the interests of investors, establish a sound long-term incentive mechanism, and boost team cohesion and competitiveness. The move aims to motivate executives of the Company, supporting its long-term growth. Taking into account its financial position and future profitability, the Company intends to use its own funds to repurchase a portion of public shares through centralized bidding, which will be used to implement equity incentive plans or employee share ownership plans.

When the Company repurchases its own shares, in accordance with Accounting Standards for Business Enterprises, cash and cash equivalents decrease while treasury stock increases on the books.

(III) Debt restructuring

1. The Company as debtor

Debt is derecognized when the present obligation is discharged. Specifically, gains or losses related to debt restructuring are recognized when the execution and outcome of the debt restructuring agreement are no longer uncertain.

For debt restructuring where debts are settled by transferring assets, the Company derecognizes the related assets and the settled debts when they meet the conditions for derecognition. The difference between the book value of the settled debt and the book value of the transferred assets is recorded in profit or loss for the period.

For debt restructuring where debts are converted into equity instruments, the Company derecognizes the settled debts when they meet the conditions for derecognition. When initially recognizing the equity instruments, they are measured at their fair value. If the fair value of the equity instruments cannot be reliably measured, they are measured at the fair value of the settled debt. The difference between the book value of the settled debt and the recognized amount of the equity instruments is recorded in profit or loss for the period.

If a debt restructuring involves modifications to other terms, the Company recognizes and measures the restructured debt in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* and *Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments*.

For debt restructuring where debts are settled by multiple assets or a combination of methods, the Company recognizes and measures equity instruments and restructured debt following the methods described above. The difference between the book value of the settled debt and the sum of the book value of the transferred assets and the recognized amounts for equity instruments and restructured debt is recorded in profit or loss for the period.

2. The Company as creditor

A financial claim is derecognized when the contractual right to receive cash flows from the claim expires. Specifically, gains or losses related to debt restructuring are recognized when the execution and outcome of the debt restructuring agreement are no longer uncertain.

For debt restructuring where debts are settled by transferring assets, the Company initially measures the cost of the acquired assets (other than financial assets) at the fair value of the waived claim. For inventory, the cost includes the fair value of the waived claim and other costs directly attributable to bringing the asset to its current location and condition, such as taxes, transportation, loading and unloading fees, and insurance. For investments in associates or joint ventures, the cost includes the fair value of the waived claim and other directly attributable costs, such as taxes. For investment property, the cost includes the fair value of the waived claim and other directly attributable costs, such as taxes. For fixed assets, the cost includes the fair value of the waived claim and other directly attributable costs incurred to bring the asset to a usable state, such as taxes, transportation, loading and unloading fees, installation costs, and professional service fees. For intangible assets, the cost includes the fair value of the waived claim and other directly attributable costs incurred to bring the asset to its intended use, such as taxes. The difference between the fair value and the book value of the waived claim is recorded in profit or loss for the period.

In cases where debt restructuring involves the conversion of debt into equity instruments, resulting in the Company converting its claims into equity investments in associates or joint ventures, the Company measures the initial investment cost based on the fair value of the waived claim and other directly attributable costs, such as taxes. The difference between the fair value and the book value of the waived claim is recorded in profit or loss for the period.

For debt restructuring involving modifications to other terms, the Company recognizes and measures the restructured claims in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*.

For debt restructuring where debts are settled through multiple assets or a combination of methods, the Company first recognizes and measures the acquired financial assets and restructured claims in accordance with *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*. Then, the Company allocates the net amount obtained by subtracting the recognized value of the financial assets and restructured claims from the fair value of the waived claim among the acquired non-financial assets proportionally based on their fair value. This allocation is used to determine the cost of each asset following the previously outlined method. The difference between the fair value and the book value of the waived claim is recorded in profit or loss for the period. The difference between the fair value and the book value of the waived claim is recorded in profit or loss for the period.

### 43. Changes in significant accounting policies and estimates

#### (1) Changes in significant accounting policies

☑ Applicable □ Not applicable

Unit: CNY

| Content and reason for accounting policy change | Affected financial statement item | Amount affected |
|---|---|---|
| On October 25, 2023, the Ministry of Finance issued the *Accounting Standards for Business Enterprises Interpretation 17* (Financial Accounting [2023] No. 21, hereinafter referred to as "Interpretation 17"). The accounting treatment for "classification of current and non-current liabilities" under Interpretation 17 became effective on January 1, 2024. Upon initial application, companies must adjust comparative period information in accordance with the interpretation. The Company has applied the relevant accounting treatment for this matter in the current year. | The implementation of this interpretation did not have a material impact on the Company's financial position or operating results. | |
| On December 6, 2024, the Ministry of Finance issued *Accounting Standards for Business Enterprises Interpretation 18*. The provisions of Interpretation 18, including "subsequent measurement of investment properties held as underlying items under the floating fee method" and "accounting treatment for warranty-type quality assurances that do not constitute separate performance obligations", became effective upon issuance. The Company has applied the relevant accounting treatment for this matter in the current year. | The implementation of this interpretation did not have a material impact on the Company's financial position or operating results. | |

#### (2) Changes in significant accounting estimates

□ Applicable ☑ Not applicable

#### (3) Adjustments to financial statement items for the beginning of the first year of new accounting standards applied from 2024

□ Applicable ☑ Not applicable

### 44. Others

## VI. Taxes

### 1. Main categories and rates of taxes

| Category | Taxation basis | Rate |
|---|---|---|
| Value-added tax ("VAT") | Output tax calculated based on revenue from sales of goods and taxable services as stipulated by tax law. The VAT | 13%、9%、6%、3% |

| | | |
|---|---|---|
| | payable is the difference after deducting allowable input tax for the period. | |
| Urban maintenance and construction tax | Calculated based on the actual VAT and consumption tax paid. | 7%、5%、1% |
| Corporate income tax | Calculated based on taxable income. | Refer to description |
| Property tax | If assessed based on value, calculated at 1.2% on the residual value after a one-time deduction of 30% from the original property value. | 1.2% |
| Educational surcharge | Calculated based on the actual VAT and consumption tax paid. | 3% |
| Local education surcharge | Calculated based on the actual VAT and consumption tax paid. | 1%、2% |

Disclosure of situations where entities are subject to different corporate income tax rates

| Name of tax payer | Income tax rate |
|---|---|
| Centre Testing International Group Co., Ltd. | 15.00% |
| Anhui CTI Testing Technology Co., Ltd. | 15.00% |
| Beijing CTI Food and Agricultural Certification Services Co., Ltd. | 20.00% |
| Beijing CTI Excellence Technical Services Co., Ltd. | 20.00% |
| Chengdu CTI Testing Technology Co., Ltd. | 15.00% |
| Chengdu Xijiao CTI Rail Transit Technology Co., Ltd. | 20.00% |
| Dalian Huaxin Physicochemical Testing Center Co., Ltd. | 15.00% |
| Fujian Shangwei Testing Co., Ltd. | 20.00% |
| Fuzhou CTI Pinbiao Testing Co., Ltd. | 20.00% |
| Gansu CTI Certification Co., Ltd. | 20.00% |
| Guangdong CTI Forensic Identification Center | 20.00% |
| Guangdong Neway Quality Technology Service Co., Ltd. | 15.00% |
| Guangxi CTI Certification Co., Ltd. | 15.00% |
| Guangzhou CTI Pinjian Biotechnology Co., Ltd. | 20.00% |
| Shanghai CTI Zhi’an Outpatient Department Co., Ltd. | 20.00% |
| Guangzhou CTI Testing and Certification Technology Co., Ltd. | 15.00% |
| Guangzhou CTI Pinbiao Testing Co., Ltd. | 20.00% |
| Guangzhou Vectoring Pharmatech Co., Ltd. | 15.00% |
| Guizhou CTI Testing Technology Co., Ltd. | 20.00% |
| Hangzhou Hua'an Engineering Services Co., Ltd. | 20.00% |
| Hangzhou CTI Testing Technology Co., Ltd. | 15.00% |
| Haotu Technology (Shanghai) Co., Ltd. | 20.00% |
| Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | 20.00% |
| Hebei CTI Testing Services Co., Ltd. | 20.00% |
| Hebei CTI Junrui Testing Technology Co., Ltd. | 15.00% |
| Henan CTI Testing Technology Co., Ltd. | 15.00% |
| Heilongjiang CTI Testing Technology Co., Ltd. | 15.00% |
| Hunan Pinbiao CTI Testing Technology Co., Ltd. | 15.00% |
| CTI (Nantong) Automotive Technology Services Co., Ltd. | 20.00% |
| CTI Electronic Certification Co., Ltd. | 15.00% |
| CTI Fengxue Testing Technology Co., Ltd. | 15.00% |
| CTI Engineering Testing Co., Ltd. | 15.00% |
| CTI Guoruan Technology Services Nanjing Co., Ltd. | 20.00% |
| Centre Testing International Metrology Testing (Jinan) Co., Ltd. | 20.00% |
| Centre Testing International Metrology Testing Co., Ltd. | 15.00% |
| Centre Testing International Beijing Co., Ltd. | 15.00% |
| Centre Testing International Hubei Co., Ltd. | 20.00% |
| CTI Jianghe Environmental Technology (Shenzhen) Co., Ltd. | 20.00% |
| CTI Pinbiao Energy Technology Services (Beijing) Co., Ltd. | 20.00% |
| Centre Testing International Certification Co., Ltd. | 15.00% |

| | |
|---|---|
| CTI Data Certification and Testing (Shenzhen) Co., Ltd. | 20.00% |
| CTI Medical Device Technology Service (Shenzhen) Co., Ltd. | 20.00% |
| Huai’an CTI Testing Technology Co., Ltd. | 15.00% |
| Jilin Anxin Food Technology Services Co., Ltd. | 20.00% |
| Jiangsu CTI Pinbiao Testing and Certification Technology Co., Ltd. | 15.00% |
| Jiangxi Yingyong CTI Testing Co., Ltd. | 20.00% |
| Liaoning CTI Pinbiao Testing and Certification Co., Ltd. | 20.00% |
| Nanchang CTI Certification Co., Ltd. | 20.00% |
| Inner Mongolia CTI Quality Inspection Service Co., Ltd. | 20.00% |
| Ningbo CTI Testing Technology Co., Ltd. | 15.00% |
| Ningbo Weizhi Testing Technology Services Co., Ltd. | 20.00% |
| Pinbiao Environmental Technology Co., Ltd. | 15.00% |
| Qingdao CTI Medical Testing Laboratory Co., Ltd. | 20.00% |
| Qingdao CTI Testing Technology Co., Ltd. | 15.00% |
| Xiamen CTI Testing Technology Co., Ltd. | 15.00% |
| Shaanxi Huabang Environmental Damage Forensic Appraisal Center | 20.00% |
| Shaanxi Huabang Testing Service Co., Ltd. | 20.00% |
| Shanghai CTI Aipu Medical Laboratory Co., Ltd. | 15.00% |
| Shanghai CTI Aiyan Medical Laboratory Co., Ltd. | 20.00% |
| Shanghai CTI Fengxue Testing Technology Co., Ltd. | 20.00% |
| Shanghai CTI Pinbiao Testing Technology Co., Ltd. | 15.00% |
| Shanghai CTI Pinzheng Testing Technology Co., Ltd. | 15.00% |
| Shanghai CTI Zhi’an Outpatient Department Co., Ltd. | 20.00% |
| Shenzhen CTI Fengxue Testing Technology Co., Ltd. | 20.00% |
| Shenzhen CTI Commodity Inspection Co., Ltd. | 20.00% |
| Shenzhen CTI Private Equity Fund Management Co., Ltd. | 20.00% |
| Shenzhen CTI Medical Testing Laboratory | 20.00% |
| Shenzhen CTI Pest Management Co., Ltd. | 20.00% |
| Shenzhen CTI Standard Material Research Institute | 20.00% |
| Shenzhen CTI Standard Material Research Center Co., Ltd. | 20.00% |
| Shenzhen CTI Training Center | 20.00% |
| Shenzhen CTI Laboratory Technology Services Co., Ltd. | 15.00% |
| Shenzhen CTI Information Technology Co., Ltd. | 20.00% |
| Shenzhen TNLINK Technology Development Co., Ltd. | 20.00% |
| Shenyang CTI Testing Technology Co., Ltd. | 15.00% |
| Sichuan CTI Testing Technology Co., Ltd. | 20.00% |
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 15.00% |
| Suzhou CTI Anping Technology Services Co., Ltd. | 20.00% |
| Suzhou CTI Engineering Testing Co., Ltd. | 20.00% |
| Suzhou CTI Medical Testing Laboratory Co., Ltd. | 20.00% |
| Suzhou CTI Testing Technology Co., Ltd. | 15.00% |
| Suzhou Wuzhong Economic Development Zone Jiakang Outpatient Department Co., Ltd. | 20.00% |
| Tianjin CTI Certification Co., Ltd. | 15.00% |
| Tianjin CTI Medical Testing Laboratory Co., Ltd. | 20.00% |
| Wuhan CTI Testing Technology Co., Ltd. | 15.00% |
| Wuhan Huaxin Physicochemical Testing Technology Co., Ltd. | 15.00% |
| Tibet CTI Testing Technology Co., Ltd. | 15.00% |
| Xipai Technology (Nanjing) Co., Ltd. | 20.00% |
| Xinjiang Kerui Testing Technology Co., Ltd. | 20.00% |
| Yunnan CTI Certification Co., Ltd. | 15.00% |
| Zhejiang Hua'an Energy-saving Engineering Co., Ltd. | 20.00% |
| Zhejiang CTI Yuanjian Testing Co., Ltd. | 20.00% |
| Zhejiang Huajian Technology Development Co., Ltd. | 20.00% |
| Zhengzhou CTI Aipu Medical Laboratory Co., Ltd. | 20.00% |

| | |
|---|---|
| Zhongshan CTI Testing Technology Co., Ltd. | 20.00% |
| Chongqing CTI Testing Technology Co., Ltd. | 15.00% |
| Zhoushan Jingwei Ship Service Co., Ltd. | 20.00% |
| CTI VESP Testing Technology (Shenzhen) Co., Ltd. | 20.00% |
| CTI VESP Testing Technology (Shanghai) Co., Ltd. | 20.00% |
| Hangzhou Hua'an Testing Technology Co., Ltd. | 15.00% |
| CTI Ecological Environment Technology (Tianjin) Co., Ltd. | 15.00% |
| CTI VESP Testing Technology Co., Ltd. | 15.00% |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | 20.00% |
| Shenzhen CTI Yunjian Construction Technology Co., Ltd. | 20.00% |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | 20.00% |
| Centre Testing International Metrology Testing (Henan) Co., Ltd. | 20.00% |
| Suzhou CTI Jiakang Physical Examination Center Co., Ltd. | 20.00% |
| Microtek (Changzhou) Product Service Co., Ltd. | 15.00% |
| CTI Holding (Hong Kong) Co., Ltd. | 16.50% |
| CENTRE TESTING INTERNATIONAL PTE.LTD. | 17.00% |
| Taiwan CTI Testing Technology Co., Ltd. | 20.00% |
| Huazheng Technology Co., Ltd. | 20.00% |
| Greater Asia Pacific Limited | 16.50% |
| CTI U.S. INC. | 27.00% |
| CEM INTERNATIONAL LIMITED | 19.00% |
| CTI-CEM INTERNATIONAL LIMITED | 12.50% |
| POLY NDT (PRIVATE) LIMITED | 17.00% |
| MARITEC PTE. LTD. | 17.00% |
| CTI Germany Management GmbH | 31.93% |
| CTI Germany Holding GmbH & Co. KG | 31.93% |
| imat-uve gmbh | 35.00% |
| IMAT-UVE AUTOMOTIVE TESTING CENTRE (PTY) LTD | 27.00% |
| IMAT AUTOMOTIVE TECHNOLOGY SERVICES INC. | 27.00% |
| IMAT AUTOMOTIVE TECHNOLOGY SERVICES MEXICO. S. DE R.L. DE C.V. | 30.00% |
| Imat (Shenyang) Automotive Technology Co., Ltd. | 20.00% |
| Shanghai Imat Automotive Technology Services Co., Ltd. | 20.00% |
| Centre Testing International (Holdings) Pte Ltd. | 17.00% |
| NAIAS SCIENTIFIC - ANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME | 22.00% |
| GRAND VANTAGE GLOBAL VERIFICATION LIMITED | 20.00% |
| VIRCON LIMITED | 16.50% |
| Centre Testing International (Japan) Co., Ltd | 35.00% |
| CENTRE TESTING INTERNATIONAL (VIETNAM) LIMITED LIABLITY COMPANY | 20.00% |
| Global Future Investment Limited | 0.00% |
| Other tax entities not listed above | 25.00% |

## 2. Tax incentives

1. The Company

The Company has been recognized as a high-tech enterprise by the Shenzhen S&T Innovation Commission, the Shenzhen Finance Bureau, and the Shenzhen Tax Bureau, State Taxation Administration. The certificate number is GR202344206314, with a validity of three years, issued on November 15, 2023. The Company pays corporate income tax at a reduced rate of 15% for the current year.

2. Centre Testing International Metrology Testing Co., Ltd.

Centre Testing International Metrology Testing Co., Ltd. has been recognized as a high-tech enterprise by the Shenzhen S&T Innovation Commission, the Shenzhen Finance Bureau, and the Shenzhen Tax Bureau, State Taxation Administration. The certificate number is GR202244207375, with a validity of three years, issued on December 19, 2022. Centre Testing International Metrology Testing Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

3. Centre Testing International Certification Co., Ltd.

Centre Testing International Certification Co., Ltd. has been recognized as a high-tech enterprise by the Shenzhen S&T Innovation Commission, the Shenzhen Finance Bureau, and the Shenzhen Tax Bureau, State Taxation Administration. The certificate number is GR202344201501, with a validity of three years, issued on October 16, 2023. Centre Testing International Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

4. Shenzhen CTI Laboratory Technology Services Co., Ltd.

Shenzhen CTI Laboratory Technology Services Co., Ltd. has been recognized as a high-tech enterprise by the Shenzhen S&T Innovation Commission, the Shenzhen Finance Bureau, and the Shenzhen Tax Bureau, State Taxation Administration. The certificate number is GR202444205842, with a validity of three years, issued on December 26, 2024. Shenzhen CTI Laboratory Technology Services Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

5. Ningbo CTI Testing Technology Co., Ltd.

Ningbo CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Ningbo S&T Bureau, the Ningbo Finance Bureau, and the Ningbo Tax Bureau, State Taxation Administration. The certificate number is GR202433102488, with a validity of three years, issued on December 6, 2024. Ningbo CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

6. Hangzhou CTI Testing Technology Co., Ltd.

Hangzhou CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Zhejiang Provincial Department of Science and Technology, the Department of Finance of Zhejiang Province, and the Zhejiang Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202333011114, with a validity of three years, issued on December 8, 2023. Hangzhou CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

7. Shanghai CTI Pinbiao Testing Technology Co., Ltd.

Shanghai CTI Pinbiao Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Shanghai Municipal S&T Commission, the Shanghai Municipal Finance Bureau, and the Shanghai Tax Bureau, State Taxation Administration. The certificate number is GR202231002847, with a validity of three years, issued on December 14, 2022. Shanghai CTI Pinbiao Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

8. Shanghai CTI Pinzheng Testing Technology Co., Ltd.

Shanghai CTI Pinzheng Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Shanghai Municipal S&T Commission, the Shanghai Municipal Finance Bureau, and the Shanghai Tax Bureau, State Taxation Administration. The certificate number is GR202331003526, with a validity of three years, issued on December 12, 2023. Shanghai CTI Pinzheng Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

9. Anhui CTI Testing Technology Co., Ltd.

Anhui CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Anhui Provincial Department of Science and Technology, the Department of Finance of Anhui Province, and the Anhui Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202234003806, with a validity of three years, issued on October 18, 2022. Anhui CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

10. Chengdu CTI Testing Technology Co., Ltd.

Chengdu CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Sichuan Provincial Department of Science and Technology, the Department of Finance of Sichuan Province, and the Sichuan Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202251001952, with a validity of three years, issued on November 2, 2022. Chengdu CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

11. Hunan Pinbiao CTI Testing Technology Co., Ltd.

Hunan Pinbiao CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Hunan Provincial Department of Science and Technology, the Hunan Department of Finance of Hunan Province, and the Hunan Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202443001354, issued on November 1, 2024. Hunan Pinbiao CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

12. Sichuan CTI Jianxin Testing Technology Co., Ltd.

Sichuan CTI Jianxin Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Sichuan Provincial Department of Science and Technology, the Department of Finance of Sichuan Province, and the Sichuan Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202451000323, with a validity of three years, issued on November 5, 2024. Sichuan CTI Jianxin Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

13. Xiamen CTI Testing Technology Co., Ltd.

Xiamen CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Xiamen Municipal Department of Science and Technology, the Xiamen Municipal Finance Bureau, and the Xiamen Tax Bureau, State Taxation Administration. The certificate number is GR202435100677, with a validity of three years, issued on November 8, 2024. Xiamen CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

14. Suzhou CTI Testing Technology Co., Ltd.

Suzhou CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province, and the Jiangsu Provincial Tax Service, State Taxation Administration. The certificate number is GR202332010351, with a validity of three years, issued on December 13, 2023. Suzhou CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

15. Jiangsu CTI Pinbiao Testing and Certification Technology Co., Ltd.

Jiangsu CTI Pinbiao Testing and Certification Technology Co., Ltd. has been recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province, and the Jiangsu Provincial Tax Service, State Taxation Administration. The certificate number is GR202332017568, with a validity of three years, issued on December 13, 2023. Jiangsu CTI Pinbiao Testing and Certification Technology Co. pays corporate income tax at a reduced rate of 15% for the current year.

16. Centre Testing International Beijing Co., Ltd.

Centre Testing International Beijing Co., Ltd. has been recognized as a high-tech enterprise by the Beijing Municipal S&T Commission, the Beijing Municipal Finance Bureau, and the Beijing Tax Bureau, State Taxation Administration. The certificate number is GR202311002617, with a validity of three years, issued on October 26, 2023. Centre Testing International Beijing Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

17. Qingdao CTI Testing Technology Co., Ltd.

Qingdao CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Qingdao S&T Bureau, the Qingdao Finance Bureau, and the Qingdao Tax Bureau, State Taxation Administration. The certificate number is GR202437100498, with a validity of three years, issued on November 19, 2024. Qingdao CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

18. Heilongjiang CTI Testing Technology Co., Ltd.

Heilongjiang CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Heilongjiang Provincial Department of Science and Technology, the Department of Finance of Heilongjiang Province, and the Heilongjiang Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202423000815, with a validity of three years, issued on October 28, 2024. Heilongjiang CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

19. CTI Electronic Certification Co., Ltd.

CTI Electronic Certification Co., Ltd. has been recognized as a high-tech enterprise by the Henan Provincial Department of

Science and Technology, the Department of Finance of Henan Province, and the Henan Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202241003425, with a validity of three years, issued on December 1, 2022. CTI Electronic Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

20. Dalian Huaxin Physicochemical Testing Center Co., Ltd.

Dalian Huaxin Physical and Chemical Testing Center Co., Ltd. has been recognized as a high-tech enterprise by the Dalian S&T Bureau, the Dalian Finance Bureau, and the Dalian Tax Bureau, State Taxation Administration. The certificate number is GR202221201117, with a validity of three years, issued on December 14, 2022. Dalian Huaxin Physicochemical Testing Center Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

21. Tianjin CTI Certification Co., Ltd.

Tianjin CTI Certification Co., Ltd. has been recognized as a high-tech enterprise by the Tianjin S&T Bureau, the Tianjin Finance Bureau, and the Tianjin Tax Bureau, State Taxation Administration. The certificate number is GR202412000625, with a validity of three years, issued on October 31, 2024. Tianjin CTI Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

22. Henan CTI Testing Technology Co., Ltd.

Henan Hua test Technology Co., Ltd. has been recognized as a high-tech enterprise by the Henan Provincial Department of Science and Technology, the Department of Finance of Henan Province, the Henan Provincial Tax Bureau, State Taxation Administration, the certificate number is GR202341002806, with a validity of three years, issued on October 2, 2023. Henan CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

23. CTI Engineering Testing Co., Ltd.

CTI Engineering Testing Co., Ltd. has been recognized as a high-tech enterprise by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202244010548, with a validity of three years, issued on December 22, 2022. CTI Engineering Testing Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

24. Guangxi CTI Certification Co., Ltd.

Guangxi CTI Certification Co., Ltd. has been recognized as a high-tech enterprise by the Guangxi Zhuang Autonomous Region Department of Science and Technology, the Department of Finance of Guangxi Zhuang Autonomous Region, and the Guangxi Zhuang Autonomous Region Tax Bureau, State Taxation Administration. The certificate number is GR202245000256, with a validity of three years, issued on October 18, 2022. Guangxi CTI Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

25. Guangzhou CTI Testing and Certification Technology Co., Ltd.

Guangzhou CTI Testing and Certification Technology Co., Ltd. has been recognized as a high-tech enterprise by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202444011662, with a validity of three years, issued on December 11, 2024. Guangzhou CTI Testing and Certification Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

26. Yunnan CTI Certification Co., Ltd.

Yunnan CTI Certification Co., Ltd. has been recognized as a high-tech enterprise by the Yunnan Provincial Department of Science and Technology, the Department of Finance of Yunnan Province, and the Yunnan Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202453000739, with a validity of three years, issued on November 1, 2024. Yunnan CTI Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

27. CTI Fengxue Testing Technology Co., Ltd.

CTI Fengxue Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Anhui Provincial Department of Science and Technology, the Department of Finance of Anhui Province, and the Anhui Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202234003355, with a validity of three years, issued on October 18, 2022. CTI

Fengxue Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

28. Wuhan CTI Testing Technology Co., Ltd.

Wuhan CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Hubei Provincial Department of Science and Technology, the Hubei Department of Finance of Hubei Province, and the Hubei Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202342007950, with a validity of three years, issued on December 8, 2023. Wuhan CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

29. Shanghai CTI Aipu Medical Laboratory Co., Ltd.

Shanghai CTI Aipu Medical Laboratory Co., Ltd. has been recognized as a high-tech enterprise by the Shanghai Municipal S&T Commission, the Shanghai Municipal Finance Bureau, and the Shanghai Tax Bureau, State Taxation Administration. The certificate number is GR202331007029, with a validity of three years, issued on December 12, 2023. Shanghai CTI Aipu Medical Laboratory Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

30. Chongqing CTI Testing Technology Co., Ltd.

Chongqing CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Chongqing S&T Bureau, the Chongqing Finance Bureau, and the Chongqing Tax Bureau, State Taxation Administration. The certificate number is GR202351101751, with a validity of three years, issued on October 16, 2023. Chongqing CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

31. Guangzhou Vectoring Pharmatech Co., Ltd.

Guangzhou Vectoring Pharmatech Co., Ltd. has been recognized as a high-tech enterprise by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202344002596, with a validity of three years, issued on December 28, 2023. Guangzhou Vectoring Pharmatech Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

32. Hebei CTI Junrui Testing Technology Co., Ltd.

Hebei CTI Junrui Testing Technology Co., Ltd. was jointly recognized as a high-tech enterprise by the Hebei Provincial Department of Science and Technology, the Department of Finance of Hebei Province, and Hebei Provincial Taxation Bureau of the State Taxation Administration, with certificate No. of GR202313000257, valid for three years, issued on October 16, 2023. Hebei CTI Junrui Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

33. Huai'an CTI Testing Technology Co., Ltd.

Huai'an CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province, and the Jiangsu Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202332015972, with a validity of three years, issued on December 13, 2023. Huai'an CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

34. Wuhan Huaxin Physicochemical Testing Technology Co., Ltd.

Wuhan Huaxin Physicochemical Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Sichuan Provincial Department of Science and Technology, the Department of Finance of Hubei Province, and the Sichuan Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202442002721, with a validity of three years, issued on December 16, 2024. Wuhan Huaxin Physicochemical Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

35. CTI VESP Testing Technology Co., Ltd.

CTI VESP Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Anhui Provincial Department of Economy and Information Technology, the Department of Finance of Anhui Province, and the Anhui Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202434005500, with a validity of three years, issued on November 28, 2024. CTI VESP Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

36. Hangzhou Hua'an Testing Technology Co., Ltd.

Hangzhou Hua'an Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Zhejiang Provincial Department of Science and Technology, the Department of Finance of Zhejiang Province, and the Zhejiang Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202433002114, with a validity of three years, issued on December 6, 2024. Hangzhou Hua'an Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

37. Pinbiao Environmental Technology Co., Ltd.

Pinbiao Environmental Technology Co., Ltd. has been recognized as a high-tech enterprise by the Shaanxi Provincial Department of Science and Technology, the Department of Finance of Shaanxi Province, and the Shaanxi Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202461000403, with a validity of three years, issued on December 3, 2024. Pinbiao Environmental Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

38. Shenyang CTI Testing Technology Co., Ltd.

Shenyang CTI Testing Technology Co., Ltd. has been recognized as a high-tech enterprise by the Henan Provincial Department of Science and Technology, the Department of Finance of Henan Province, the Henan Provincial Tax Bureau, State Taxation Administration, the certificate number is GR202421001842, with a validity of three years, issued on November 27, 2024. Shenyang CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

39. CTI Ecological Environment Technology (Tianjin) Co., Ltd.

CTI Ecological Environment Technology (Tianjin) Co., Ltd. has been recognized as a high-tech enterprise by the Tianjin S&T Bureau, the Tianjin Finance Bureau, and the Tianjin Tax Bureau, State Taxation Administration. The certificate number is GR202412003211, with a validity of three years, issued on December 3, 2024. CTI Ecological Environment Technology (Tianjin) Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

40. Microtek (Changzhou) Product Service Co., Ltd.

Microtek (Changzhou) Product Service Co., Ltd. has been recognized as a high-tech enterprise by the Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province, and the Jiangsu Provincial Tax Service, State Taxation Administration. The certificate number is GR202432002304, with a validity of three years, issued on November 6, 2024. Microtek (Changzhou) Product Service Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

41. Guangdong Neway Quality Technology Service Co., Ltd.

Guangdong Neway Quality Technology Service Co., Ltd. has been recognized as a high-tech enterprise by the Guangdong Provincial Department of Science and Technology, the Department of Finance of Guangdong Province, and the Guangdong Provincial Tax Bureau, State Taxation Administration. The certificate number is GR202244005516, with a validity of three years, issued on December 22, 2022. Guangdong Neway Quality Technology Service Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

42. Tibet CTI Testing Technology Co., Ltd.

According to Announcement No. 23 [2020] of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission, titled *Announcement on Continuing the Corporate Income Tax Policy for the Western Development*, for eligible enterprises, “1. From January 1, 2021, to December 31, 2030, corporate income tax should be levied at a reduced rate of 15% on enterprises engaged in encouraged industries in the western region. The term ‘enterprises engaged in encouraged industries’ as used in this article refers to enterprises whose main business is an industrial project specified in the *Catalog of Encouraged Industries in the Western Region*, and whose main business income accounts for more than 60% of the total enterprise income.” and “4. The term ‘western region’ as used in this announcement includes the Inner Mongolia Autonomous Region, the Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, the Tibet Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, the Ningxia Hui Autonomous Region, the Xinjiang Uygur Autonomous Region, and the Xinjiang Production and Construction Corps.” Tibet CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

43. Tax incentives for small and micro enterprises

According to the Ministry of Finance and the State Taxation Administration’s *Announcement on Income Tax Incentives for Small* *and Micro Enterprises and Individual Industrial and Commercial Households* (C.S. [2023] No. 6), the portion of the annual taxable income of small and micro enterprises not exceeding 1 million CNY is taxed at a reduced rate of 25% of the taxable income, with a corporate income tax rate of 20%. This policy is valid from January 1, 2023, to December 31, 2024. According to the Ministry of Finance and the State Taxation Administration's *Announcement on Further Implementation of Corporate Income Tax Incentives for Small and Micro Enterprises* (C.S. [2022] No. 13), the portion of annual taxable income exceeding 1 million CNY but not exceeding 3 million CNY for small and micro enterprises is taxed at a reduced rate of 25% of the taxable income, with a corporate income tax rate of 20%. This policy is valid from January 1, 2022, to December 31, 2024. The Ministry of Finance and the State Taxation Administration's *Announcement on Further Support for Small and Micro Enterprises and Individual Industrial and Commercial Households* (C.S. [2023] No. 12) extends the reduced income tax rate for small and micro enterprises through December 31, 2027. All companies listed in the table with a corporate income tax rate of 20% are eligible for the income tax incentives for small and micro enterprises.

### 3. Others

## VII. Notes to the Consolidated Financial Statements

### 1. Cash at bank and on hand

| Items | Closing balance | Opening balance |
|---|---|---|
| Cash on hand | 132,174.71 | 34,366.02 |
| Cash at bank | 843,382,895.14 | 1,385,998,067.82 |
| Other cash and cash equivalents | 39,212,509.37 | 64,651,341.46 |
| Total | 882,727,579.22 | 1,450,683,775.30 |
| Including: Total amount held abroad | 287,504,098.35 | 106,689,296.51 |

Unit: CNY

Other Notes:

Details of restricted cash and cash equivalents are as follows:

| Items | Closing balance | Opening balance |
|---|---|---|
| Bid bond | 280,000.00 | 355,000.00 |
| Performance bond | 22,777,261.48 | 20,774,142.22 |
| Prepayment guarantee | 5,038,205.00 | 4,086,782.50 |
| Quality bond | | 23,639.50 |
| Others | 3,998,316.94 | 466,246.62 |
| Total | 32,093,783.42 | 25,705,810.84 |

### 2. Financial assets at fair value through profit or loss

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Financial assets measured at fair value through profit or loss. | 443,026,438.36 | |
| Including: | | |

| | | |
|---|---|---|
| Bank financial products | 443,026,438.36 | |
| Including: | | |
| Total | 443,026,438.36 | |

Other Notes:

## 3. Derivative financial assets

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|

Other Notes:

## 4. Notes receivable

### (1) Breakdown by category

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Banker's acceptance notes | 19,165,804.60 | 17,671,530.15 |
| Commercial acceptance notes | 4,897,181.99 | 1,821,802.18 |
| Total | 24,062,986.59 | 19,493,332.33 |

### (2) Disclosure by bad debt provision method

Unit: CNY

| Classification | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | provision for bad debts | | Book value | Book balance | | provision for bad debts | | Book value |
| | Amount | Proportion | Amount | Proportion | | Amount | Proportion | Amount | Proportion | |
| Including: | | | | | | | | | | |
| Accounts receivable notes with bad debt provision on a group basis | 27,270,213.29 | 100.00% | 3,207,226.70 | 11.76% | 24,062,986.59 | 20,329,202.77 | 100.00% | 835,870.44 | 4.11% | 19,493,332.33 |
| Including: | | | | | | | | | | |
| Banker's acceptance notes | 19,937,578.70 | 73.11% | 771,774.10 | 3.87% | 19,165,804.60 | 18,389,113.70 | 90.46% | 717,583.55 | 3.90% | 17,671,530.15 |
| Commercial bills portfolio | 7,332,634.59 | 26.89% | 2,435,452.60 | 33.21% | 4,897,181.99 | 1,940,089.07 | 9.54% | 118,286.89 | 6.10% | 1,821,802.18 |
| Total | 27,270,213.29 | 100.00% | 3,207,226.70 | 11.76% | 24,062,986.59 | 20,329,202.77 | 100.00% | 835,870.44 | 4.11% | 19,493,332.33 |

Group-based bad debt provision: 3,207,226.70

Unit: CNY

| Name | Closing balance | | |
|---|---|---|---|
| | Book balance | provision for bad debts | Proportion |
| Banker's acceptance notes | 19,937,578.70 | 771,774.10 | 3.87% |
| Commercial bills portfolio | 7,332,634.59 | 2,435,452.60 | 33.21% |

| Total | 27,270,213.29 | 3,207,226.70 | |
|---|---|---|---|

Explanation for basis of group determination:

If the general expected credit loss model is applied to accounts receivable notes bad debt provision:

□ Applicable ☑ Not applicable

### (3) Bad debt provisions during the current period

Bad debt provisions for the current period:

Unit: CNY

| Classification | Opening balance | Change in current period | | | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Recovered or reversed | Written off | Others | |
| Provision for doubtful accounts on an individual basis | | | | | | |
| Group-based bad debt provision | 835,870.44 | 2,371,622.19 | | | -265.93 | 3,207,226.70 |
| Total | 835,870.44 | 2,371,622.19 | | | -265.93 | 3,207,226.70 |

Significant amount of bad debt provisions recovered or reversed during the current period:

□ Applicable ☑ Not applicable

### (4) Accounts receivable notes pledged by the Company at the end of the period

Unit: CNY

| Items | Amount pledged at the end of the period |
|---|---|

### (5) Endorsed or discounted accounts receivable notes not yet due as of the balance sheet date at the end of the period

Unit: CNY

| Items | Ending balance for notes with termination of recognition | Ending balance for notes without termination of recognition |
|---|---|---|
| Banker’s acceptance notes | 34,363,280.53 | |
| Commercial acceptance notes | 18,000.00 | |
| Total | 34,381,280.53 | |

### (6) Actual write-offs of accounts receivable notes during the current period

Unit: CNY

| Items | Write-off amounts |
|---|---|

Important write-offs of notes receivable:

Unit: CNY

| Name of organization | Nature of notes receivable | Write-off amounts | Reason for write-off | Write-off procedures performed | Whether the payment is generated by related |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| | | | | | transactions |

Explanation for the write-off of notes receivable:

## 5. Accounts receivable

### (1) Disclosure by aging

Unit: CNY

| Aging | Closing book balance | Opening book balance |
|---|---|---|
| Within 1 year (inclusive) | 1,815,255,392.03 | 1,439,694,803.43 |
| 1 to 2 years | 249,244,506.39 | 251,958,402.52 |
| 2 to 3 years | 141,129,756.54 | 61,955,716.81 |
| Over 3 years | 70,937,204.81 | 46,810,012.95 |
| 3 to 4 years | 37,661,143.62 | 27,022,307.40 |
| 4 to 5 years | 20,485,508.05 | 9,247,547.54 |
| Over 5 years | 12,790,553.14 | 10,540,158.01 |
| Total | 2,276,566,859.77 | 1,800,418,935.71 |

### (2) Disclosure by bad debt provision method

Unit: CNY

| Classification | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | provision for bad debts | | Book value | Book balance | | provision for bad debts | | Book value |
| | Amount | Proportion | Amount | Proportion | | Amount | Proportion | Amount | Proportion | |
| Individually assessed bad debt provision for accounts receivable | 6,819,764.76 | 0.30% | 6,689,914.67 | 98.10% | 129,850.09 | 9,229,714.55 | 0.51% | 9,098,780.12 | 98.58% | 130,934.43 |
| Including: | | | | | | | | | | |
| Group-based bad debt provision for accounts receivable | 2,269,747,095.01 | 99.70% | 289,668,868.59 | 12.76% | 1,980,078,226.42 | 1,791,189,221.16 | 99.49% | 205,460,735.06 | 11.47% | 1,585,728,486.10 |
| Including: | | | | | | | | | | |
| Aging portfolio | 2,269,747,095.01 | 99.70% | 289,668,868.59 | 12.76% | 1,980,078,226.42 | 1,791,189,221.16 | 99.49% | 205,460,735.06 | 11.47% | 1,585,728,486.10 |
| Total | 2,276,566,859.77 | 100.00% | 296,358,783.26 | 13.02% | 1,980,208,076.51 | 1,800,418,935.71 | 100.00% | 214,559,515.18 | 11.92% | 1,585,859,420.53 |

Provision for doubtful accounts on an individual basis: 6,689,914.67

Unit: CNY

| Name | Opening balance | | Closing balance | | | |
|---|---|---|---|---|---|---|
| | Book balance | provision for bad debts | Book balance | provision for bad debts | Proportion | Individually assessed bad debt provision: |
| Baoneng (Guangzhou) Automobile Research Institute Co., Ltd. | 1,622,140.00 | 1,622,140.00 | 1,622,140.00 | 1,622,140.00 | 100.00% | Expected to be uncollectible |
| Individually assessed accounts | 7,607,574.55 | 7,476,640.12 | 5,197,624.76 | 5,067,774.67 | 97.50% | Expected to be uncollectible |

| | | | | | | |
|---|---|---|---|---|---|---|
| receivable with a book balance not exceeding CNY 1 million | | | | | | |
| Total | 9,229,714.55 | 9,098,780.12 | 6,819,764.76 | 6,689,914.67 | | |

Group-based bad debt provision: 289,668,868.59

Unit: CNY

| Name | Closing balance | | |
|---|---|---|---|
| | Book balance | provision for bad debts | Proportion |
| Within 1 year | 1,813,982,188.03 | 88,023,602.14 | 4.85% |
| 1-2 years | 249,053,070.66 | 70,350,467.99 | 28.25% |
| 2-3 years | 139,655,983.76 | 64,241,181.59 | 46.00% |
| Over 3 years | 67,055,852.56 | 67,053,616.87 | 100.00% |
| Total | 2,269,747,095.01 | 289,668,868.59 | |

Explanation for basis of group determination:

If bad debt provisions for accounts receivable are calculated using the general expected credit loss model:

□ Applicable ☑ Not applicable

### (3) Bad debt provisions during the current period

Bad debt provisions for the current period:

Unit: CNY

| Classification | Opening balance | Change in current period | | | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Recovered or reversed | Written off | Others | |
| Provision for doubtful accounts on an individual basis | 9,098,780.12 | | 1,380,453.33 | 1,028,412.12 | | 6,689,914.67 |
| Group-based bad debt provision | 205,460,735.06 | 84,411,234.19 | | 10,087,580.41 | 9,884,479.75 | 289,668,868.59 |
| Total | 214,559,515.18 | 84,411,234.19 | 1,380,453.33 | 11,115,992.53 | 9,884,479.75 | 296,358,783.26 |

Significant amount of bad debt provisions recovered or reversed during the current period:

Unit: CNY

| Name of organization | Amount recovered or reversed | Reason for reverse | Recovery method | The basis for determining the original provision ratio for bad debts and its rationality |
|---|---|---|---|---|

### (4) Actual write-offs of accounts receivable during the current period

Unit: CNY

| Items | Write-off amounts |
|---|---|
| Accounts receivable actually written off | 11,115,992.53 |

Significant write-offs of accounts receivable include:

Unit: CNY

| Name of | Nature of accounts | Write-off amounts | Reason for write- | Write-off | Whether the |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| organization | receivable | | off | procedures performed | payment is generated by related transactions |

Descriptions for writing off accounts receivable:

### (5) Top five accounts receivable and contract assets by debtor at the end of the period

Unit: CNY

| Name of organization | Ending balance of accounts receivable | Ending balance of contract assets | Ending balance of accounts receivable and contract assets | Proportion of the total ending balance of accounts receivable and contract assets | Ending balance of accounts receivable bad debt provisions and contract asset impairment provisions |
|---|---|---|---|---|---|
| First place | 20,702,010.66 | | 20,702,010.66 | 0.80% | 8,238,971.78 |
| Second place | 16,128,073.98 | | 16,128,073.98 | 0.63% | 1,624.24 |
| Third place | 9,488,668.75 | 4,888,598.00 | 14,377,266.75 | 0.56% | 3,528,064.59 |
| Fourth place | 7,274,162.65 | 5,722,740.84 | 12,996,903.49 | 0.50% | 5,981,242.87 |
| Fifth place | | 12,572,752.36 | 12,572,752.36 | 0.49% | 1,529,509.96 |
| Total | 53,592,916.04 | 23,184,091.20 | 76,777,007.24 | 2.98% | 19,279,413.44 |

## 6. Contract assets

### (1) Contract asset situation

Unit: CNY

| Items | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| | Book balance | provision for bad debts | Book value | Book balance | provision for bad debts | Book value |
| Completed but unsettled | 297,658,762.50 | 39,771,366.26 | 257,887,396.24 | 201,591,012.74 | 19,000,315.51 | 182,590,697.23 |
| Total | 297,658,762.50 | 39,771,366.26 | 257,887,396.24 | 201,591,012.74 | 19,000,315.51 | 182,590,697.23 |

### (2) Significant changes in book value and reasons during the reporting period

Unit: CNY

| Items | Amount of change | Reason for change |
|---|---|---|
| Completed but unsettled | 75,296,699.01 | Completed but unsettled item added |
| Total | 75,296,699.01 | —— |

### (3) Disclosure by bad debt provision method

Unit: CNY

| Classification | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | provision for bad debts | | Book value | Book balance | | provision for bad debts | | Book value |
| | Amount | Proportion | Amount | Proportion | | Amount | Proportion | Amount | Proportion | |
| Including: | | | | | | | | | | |
| Group-based bad debt provision | 297,658,762.50 | 100.00% | 39,771,366.26 | 13.36% | 257,887,396.24 | 201,591,012.74 | 100.00% | 19,000,315.51 | 9.43% | 182,590,697.23 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Including: | | | | | | | | | | |
| Aging portfolio | 297,658,762.50 | 100.00% | 39,771,366.26 | 13.36% | 257,887,396.24 | 201,591,012.74 | 100.00% | 19,000,315.51 | 9.43% | 182,590,697.23 |
| Total | 297,658,762.50 | 100.00% | 39,771,366.26 | 13.36% | 257,887,396.24 | 201,591,012.74 | 100.00% | 19,000,315.51 | 9.43% | 182,590,697.23 |

Group-based bad debt provision: 39,771,366.26

Unit: CNY

| Name | Closing balance | | |
|---|---|---|---|
| | Book balance | provision for bad debts | Proportion |
| Within 1 year | 202,559,514.64 | 9,953,924.65 | 4.91% |
| 1-2 years | 42,984,984.95 | 6,565,342.67 | 15.27% |
| 2-3 years | 48,107,829.50 | 19,245,665.53 | 40.01% |
| Over 3 years | 4,006,433.41 | 4,006,433.41 | 100.00% |
| Total | 297,658,762.50 | 39,771,366.26 | |

Explanation for basis of group determination:

Provision for bad debts recorded according to the expected credit loss general model

□ Applicable ☑ Not applicable

### (4) Bad debt provisions during the current period

Unit: CNY

| Items | Provision for the current period | Recovery or reversal in the current period | Write-off or cancellation in the current period | Reason |
|---|---|---|---|---|
| Completed but unsettled | 19,609,124.76 | | | Provision for bad debts calculated based on the age of accounts receivable at the end of the period |
| Total | 19,609,124.76 | | | —— |

Significant amount of bad debt provisions recovered or reversed during the current period:

Unit: CNY

| Name of organization | Amount recovered or reversed | Reason for reverse | Recovery method | The basis for determining the original provision ratio for bad debts and its rationality |
|---|---|---|---|---|

Other Notes:

### (5) Actual write-offs of contract assets during the current period

Unit: CNY

| Items | Write-off amounts |
|---|---|

Important write-offs of contract assets

Unit: CNY

| Name of organization | Nature of items | Write-off amounts | Reason for write-off | Write-off procedures performed | Whether the payment is generated by related transactions |
|---|---|---|---|---|---|

Explanation for the write-off of contract assets

Other Notes:

## 7. Receivables financing

None.

## 8. Other receivables

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Interests receivable | 0.00 | 0.00 |
| Dividends receivable | 0.00 | 0.00 |
| Other receivables | 103,247,564.07 | 66,484,207.95 |
| Total | 103,247,564.07 | 66,484,207.95 |

### (1) Interests receivable

None.

### (2) Dividends receivable

None.

### (3) Other receivables

#### 1) Classification of other receivables by nature of items

Unit: CNY

| Nature of items | Closing book balance | Opening book balance |
|---|---|---|
| Deposits and guarantees | 59,420,251.90 | 56,561,695.12 |
| Suspense payments receivable | 13,358,951.97 | 11,933,295.06 |
| Others | 33,981,647.46 | 1,595,453.92 |
| Total | 106,760,851.33 | 70,090,444.10 |

#### 2) Disclosure by aging

Unit: CNY

| Aging | Closing book balance | Opening book balance |
|---|---|---|
| Within 1 year (inclusive) | 68,123,034.35 | 33,840,769.20 |
| 1 to 2 years | 11,287,199.70 | 11,670,522.36 |
| 2 to 3 years | 6,494,244.86 | 7,249,420.36 |
| Over 3 years | 20,856,372.42 | 17,329,732.18 |
| 3 to 4 years | 5,622,460.60 | 7,342,184.44 |
| 4 to 5 years | 6,219,385.55 | 3,321,963.06 |
| Over 5 years | 9,014,526.27 | 6,665,584.68 |
| Total | 106,760,851.33 | 70,090,444.10 |

### 3) Disclosure by bad debt provision method

☑ Applicable □ Not applicable

Unit: CNY

| Classification | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | provision for bad debts | | Book value | Book balance | | provision for bad debts | | Book value |
| | Amount | Proportion | Amount | Proportion | | Amount | Proportion | Amount | Proportion | |
| Provision for doubtful accounts on an individual basis | 201,194.26 | 0.19% | 201,194.26 | 100.00% | | 168,748.57 | 0.24% | 168,748.57 | 100.00% | |
| Including: | | | | | | | | | | |
| Group-based bad debt provision | 106,559,657.07 | 99.81% | 3,312,093.00 | 3.11% | 103,247,564.07 | 69,921,695.53 | 99.76% | 3,437,487.58 | 4.92% | 66,484,207.95 |
| Including: | | | | | | | | | | |
| Deposits and guarantees | 59,340,355.90 | 55.58% | 1,446,265.23 | 2.44% | 57,894,090.67 | 56,519,620.12 | 80.64% | 2,091,012.35 | 3.70% | 54,428,607.77 |
| Aging portfolio | 47,219,301.17 | 44.23% | 1,865,827.77 | 3.95% | 45,353,473.40 | 13,402,075.41 | 19.12% | 1,346,475.23 | 10.05% | 12,055,600.18 |
| Total | 106,760,851.33 | 100.00% | 3,513,287.26 | 3.29% | 103,247,564.07 | 70,090,444.10 | 100.00% | 3,606,236.15 | 5.15% | 66,484,207.95 |

Provision for doubtful accounts on an individual basis: 201,194.26

Unit: CNY

| Name | Opening balance | | Closing balance | | | |
|---|---|---|---|---|---|---|
| | Book balance | provision for bad debts | Book balance | provision for bad debts | Proportion | Individually assessed bad debt provision: |
| Individually assessed accounts receivable with a book balance not exceeding CNY 500,000 | 168,748.57 | 168,748.57 | 201,194.26 | 201,194.26 | 100.00% | Expected to be uncollectible |
| Total | 168,748.57 | 168,748.57 | 201,194.26 | 201,194.26 | | |

Group-based bad debt provision: 106,559,657.07

Unit: CNY

| Name | Closing balance | | |
|---|---|---|---|
| | Book balance | provision for bad debts | Proportion |
| Deposits and guarantees | 59,340,355.90 | 1,446,265.23 | 2.44% |
| Aging portfolio | 47,219,301.17 | 1,865,827.77 | 3.95% |
| Total | 106,559,657.07 | 3,312,093.00 | |

Explanation for basis of group determination:

Provision for bad debts recorded according to the expected credit loss general model:

Unit: CNY

| provision for bad debts | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| | Expected credit losses for the next 12 months | Expected credit losses over the entire existence period (unrealized credit impairment) | Expected credit losses over the entire existence period (realized credit impairment) | |
| Balance on January 1, 2024 | 3,437,487.58 | | 168,748.57 | 3,606,236.15 |
| Balance on January 1, 2024 in this period | | | | |
| Provision for the | | | 38,540.77 | 38,540.77 |

| | | | | |
|---|---|---|---|---|
| current period | | | | |
| Reversal in the current period | 58,709.09 | | | 58,709.09 |
| Write off in the current period | 86,997.26 | | 6,095.08 | 93,092.34 |
| Other changes | 20,311.77 | | | 20,311.77 |
| Balance on December 31, 2024 | 3,312,093.00 | | 201,194.26 | 3,513,287.26 |

Basis for each stage division and provisioning ratios for bad debt allowance

Significant changes in book balances with major variations in provision for losses this period

□ Applicable ☑ Not applicable

### 4) Bad debt provisions during the current period

Bad debt provisions for the current period:

Unit: CNY

| Classification | Opening balance | Change in current period | | | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Recovered or reversed | Write-off or cancellation | Others | |
| Accounts receivable with single provision for expected credit losses | 168,748.57 | 38,540.77 | 0.00 | 6,095.08 | 0.00 | 201,194.26 |
| Group-based bad debt provision Determining expected credit losses Other receivables | 3,437,487.58 | 0.00 | 58,709.09 | 86,997.26 | 20,311.77 | 3,312,093.00 |
| Total | 3,606,236.15 | 38,540.77 | 58,709.09 | 93,092.34 | 20,311.77 | 3,513,287.26 |

Significant amount of bad debt provisions reversed or recovered during the current period:

Unit: CNY

| Name of organization | Amount recovered or reversed | Reason for reverse | Recovery method | The basis for determining the original provision ratio for bad debts and its rationality |
|---|---|---|---|---|

### 5) Actual write-offs of other accounts receivable during the current period

Unit: CNY

| Items | Write-off amounts |
|---|---|
| Actual write-offs of other accounts receivable | 93,092.34 |

Significant write-offs of other accounts receivable include:

Unit: CNY

| Name of organization | Nature of other receivables | Write-off amounts | Reason for write-off | Write-off procedures performed | Whether the payment is generated by related |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| | | | | | transactions |

Explanation for the write-off of other receivables:

### 6) Top five other accounts receivable by debtor at the end of the period

Unit: CNY

| Name of organization | Nature of items | Closing balance | Aging | Proportion of the total ending balance of other accounts receivable | Ending balance of provision for bad debts |
|---|---|---|---|---|---|
| IST Technologies Inc. | Others | 27,383,358.50 | Within 1 year | 25.65% | |
| Shanghai Chengce Information Technology Co., Ltd. | Others | 3,539,967.63 | Within 1 year | 3.32% | |
| Shenzhen Dingxin Financial Investment Holdings Co., Ltd. | Deposits and guarantees | 1,974,836.00 | 2-3 years, more than 3 years | 1.85% | 1,000.00 |
| Shanghai Haide Control System Co., Ltd. | Deposits and guarantees | 1,766,217.85 | 1-2 years, 2-3 years, more than 3 years | 1.65% | |
| Yongfengjin International Leasing Co., Ltd. | Deposits and guarantees | 1,471,035.00 | Within 1 year, 1-2 years | 1.38% | |
| Total | | 36,135,414.98 | | 33.85% | 1,000.00 |

### 7) Other receivables presented due to centralized management of funds

Unit: CNY

Other Notes:

## 9. Prepayments

### (1) Prepayments listed by aging

Unit: CNY

| Aging | Closing balance | | Opening balance | |
|---|---|---|---|---|
| | Amount | Proportion | Amount | Proportion |
| Within 1 year | 24,304,290.05 | 74.91% | 27,632,068.00 | 74.45% |
| 1 to 2 years | 4,691,496.94 | 14.46% | 3,934,957.34 | 10.60% |
| 2 to 3 years | 634,309.09 | 1.96% | 877,231.62 | 2.36% |
| Over 3 years | 2,811,562.98 | 8.67% | 4,674,044.85 | 12.59% |
| Total | 32,441,659.06 | | 37,118,301.81 | |

Explanation for the significant prepayments over 1 year old that have not been settled in a timely manner:

### (2) Prepayments for the top five prepayment objects as aggregated by ending balance

| Name of organization | Closing balance | Percentage of total prepayments (%) | Prepayment time | Reasons for unsettled payments |
|---|---|---|---|---|

| Name of organization | Closing balance | Percentage of total prepayments (%) | Prepayment time | Reasons for unsettled payments |
|---|---|---|---|---|
| First place | 2,419,900.00 | 7.46 | 2020 | Business not finished |
| Second place | 2,369,130.00 | 7.30 | 2024 | Business not finished |
| Third place | 1,402,956.02 | 4.32 | 2024 | Business not finished |
| Fourth place | 885,227.13 | 2.73 | 2024 | Business not finished |
| Fifth place | 870,764.00 | 2.68 | 2024 | Business not finished |
| Total | 7,947,977.15 | 24.49 | | |

Other Notes:

## 10. Inventories

Whether the Company is required to comply with disclosure requirements in the real estate industry

No

### (1) Types of inventory

Unit: CNY

| Items | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| | Book balance | Inventory devaluation provisions and contract performance cost impairment provisions | Book value | Book balance | Inventory devaluation provisions and contract performance cost impairment provisions | Book value |
| Raw materials | 60,181,202.64 | | 60,181,202.64 | 67,133,777.02 | | 67,133,777.02 |
| Goods in stock | 21,039,043.81 | | 21,039,043.81 | 11,782,446.37 | | 11,782,446.37 |
| Contract performance costs | 17,306,256.08 | | 17,306,256.08 | 19,378,739.64 | | 19,378,739.64 |
| Goods shipped | 2,041,452.14 | | 2,041,452.14 | 325,893.28 | | 325,893.28 |
| Total | 100,567,954.67 | | 100,567,954.67 | 98,620,856.31 | | 98,620,856.31 |

### (2) Data resources recognized as inventory

Unit: CNY

| Items | Purchased inventory of data resources | Self-processed inventory of data resources | Inventory of data resources acquired through other means | Total |
|---|---|---|---|---|

### (3) Inventory impairment provisions and provisions for impairment of contract fulfillment costs

Unit: CNY

| Items | Opening balance | Increase in the current period | | Decrease in the current period | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Others | Reversal or write-off | Others | |

Inventory impairment provisions recognized on a portfolio basis

Unit: CNY

| Portfolio name | Closing | | | Opening | | |
|---|---|---|---|---|---|---|
| | Closing balance | Impairment provisions | Provisioning ratio for impairment provisions | Opening balance | Impairment provisions | Provisioning ratio for impairment provisions |

Provisioning criteria for inventory impairment provisions recognized on a portfolio basis

### (4) Explanation for the capitalized amount of borrowing costs included in the ending balance of inventory

### (5) Explanation for the amortization amount of contract fulfillment costs for the current period

### 11. Assets held for sale

None.

### 12、Non-current assets due within one year

None.

### 13. Other current assets

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Prepaid corporate income tax | 4,282,099.71 | 17,978,765.00 |
| VAT deductible | 75,279,080.68 | 94,044,350.69 |
| Financial products | 322,803,987.86 | 377,393,874.49 |
| Others | 429,969.31 | 212,916.94 |
| Total | 402,795,137.56 | 489,629,907.12 |

Other Notes:

### 14. Debt investments

None.

### 15. Other debt investments

None.

### 16. Investments in other equity instruments

None.

## 17. Long-term receivables

None.

## 18. Long-term equity investments

Unit: CNY

| Investee | Opening balance (book value) | Opening balance of impairment provisions | Change in the current period | | | | | | | | Closing balance (book value) | Ending balance of impairment provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Increased investments | Reduced investments | Equity method recognized investment profit or loss | Adjustment for other comprehensive income | Other changes in equity | Declaration of cash dividends or profits | Provision for impairment | Others | | |
| I. Joint venture | | | | | | | | | | | | |
| II. Jointly controlled entities | | | | | | | | | | | | |
| CSSC Xi’an Dongyi Comprehensive Technology Laboratory Co., Ltd. | 9,452,381.15 | | | | 439,950.68 | | | | | | 9,892,331.83 | |
| Shenzhen Huacheng Zhihong Professional Technology Partnership (Limited Partnership) | 1,527,371.41 | | | | | | | | | | 1,527,371.41 | |
| Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd. | 160,746,591.98 | | | | 34,004,303.34 | | | 10,400,000.00 | | | 184,350,895.32 | |
| Shenzhen Dace Junrui Technical Service Partnership (Limited Partnership) | 3,044.92 | | | | | | | | | | 3,044.92 | |
| Nanjing Huace Pharmaceutical Technology Service Co., Ltd. | 1,110,642.04 | | | | | | | | | | 1,110,642.04 | |
| Beijing Guoxin Tianyuan Quality Evaluation Certification Co., Ltd. | 15,339,137.61 | | | | 659,738.39 | | | | | | 15,998,876.00 | |
| Shanghai Fushenlan Software Co., Ltd. | 77,652,495.45 | | | | -6,780,399.36 | | | | | | 70,872,096.09 | |
| Beijing Zhuoshi Network Security Technology Co., Ltd. | 69,984,165.26 | | | | 13,773,472.40 | | | 5,092,639.96 | | | 78,664,997.70 | |
| Shenzhen Huatou Yichuang No. 1 Enterprise Management Partnership (Limited Partnership) | 45,036.39 | | | | -0.17 | | | | | | 45,036.22 | |
| Shenzhen Huatou Yichuang No. 2 Enterprise | 44,808.96 | | | | -1.30 | | | | | | 44,807.66 | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Management Partnership (Limited Partnership) | | | | | | | | | | | | |
| Shenzhen Huada Data Professional Technology Partnership (Limited Partnership) | 199,500.00 | | | 199,500.00 | | | | | | | | |
| Jiangxi Microtek Testing Technology Co., Ltd. | | | 2,113,617.99 | | 149,210.48 | | | | | | 2,262,828.47 | |
| Subtotal | 336,105,175.17 | | 2,113,617.99 | 199,500.00 | 42,246,274.46 | | | 15,492,639.96 | | | 364,772,927.66 | |
| Total | 336,105,175.17 | | 2,113,617.99 | 199,500.00 | 42,246,274.46 | | | 15,492,639.96 | | | 364,772,927.66 | |

The recoverable amount is determined by subtracting disposal costs from the fair value

□ Applicable ☑ Not applicable

The recoverable amount is determined by the present value of expected future cash flows

□ Applicable ☑ Not applicable

Reasons for the significant differences between the above information and the information or external factors used in impairment testing in previous years

Reasons for the significant differences between the information or assumptions used in impairment testing in previous years and the actual circumstances in the current year

Other Notes:

## 19. Other non-current financial assets

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Investments in equity instruments | 15,486,543.73 | 41,317,524.79 |
| Total | 15,486,543.73 | 41,317,524.79 |

Other Notes:

## 20. Investment property

### (1) Investment properties measured at cost

☑ Applicable □ Not applicable

Unit: CNY

| Items | Buildings and structures | Land use rights | Construction in progress | Total |
|---|---|---|---|---|
| I. Original book value | | | | |
| 1. Opening balance | 37,520,889.50 | | | 37,520,889.50 |
| 2. Increase in the current period | 130,751.92 | | | 130,751.92 |
| (1) Acquisitions from external sources | | | | |
| (2) Transfers from inventory/fixed assets/construction in progress | 130,751.92 | | | 130,751.92 |

| | | | | |
|---|---|---|---|---|
| (3) Increase due to business combinations | | | | |
| | | | | |
| 3. Decrease in the current period | 211,693.58 | | | 211,693.58 |
| (1) Disposals | | | | |
| (2) Other transfers out | | | | |
| (3) Transfer to fixed assets | 211,693.58 | | | 211,693.58 |
| 4. Closing balance | 37,439,947.84 | | | 37,439,947.84 |
| II. Accumulated depreciation and amortization | | | | |
| 1. Opening balance | 6,004,565.48 | | | 6,004,565.48 |
| 2. Increase in the current period | 805,051.35 | | | 805,051.35 |
| (1) Provision or amortization | 793,083.86 | | | 793,083.86 |
| (2) Transfers from inventory/fixed assets/construction in progress | 11,967.49 | | | 11,967.49 |
| 3. Decrease in the current period | 18,993.98 | | | 18,993.98 |
| (1) Disposals | | | | |
| (2) Other transfers out | | | | |
| (3) Transfer to fixed assets | 18,993.98 | | | 18,993.98 |
| 4. Closing balance | 6,790,622.85 | | | 6,790,622.85 |
| III. Provision for impairment | | | | |
| 1. Opening balance | | | | |
| 2. Increase in the current period | | | | |
| (1) Provision | | | | |
| | | | | |
| 3. Decrease in the current period | | | | |
| (1) Disposals | | | | |
| (2) Other transfers out | | | | |
| | | | | |
| 4. Closing balance | | | | |
| IV. Book value | | | | |
| 1. Closing book value | 30,649,324.99 | | | 30,649,324.99 |
| 2. Opening book value | 31,516,324.02 | | | 31,516,324.02 |

The recoverable amount is determined by subtracting disposal costs from the fair value

□ Applicable ☑ Not applicable

The recoverable amount is determined by the present value of expected future cash flows

□ Applicable ☑ Not applicable

Reasons for the significant differences between the above information and the information or external factors used in impairment testing in previous years

Reasons for the significant differences between the information or assumptions used in impairment testing in previous years and the actual circumstances in the current year

Other Notes:

**(2) Investment Properties measured at fair value**

□ Applicable ☑ Not applicable

**(3) Conversion to investment properties and measurement at fair value**

Unit: CNY

| Items | Accounting items before transfer | Amount | Reasons for transfer | Review and approval procedures | Impact on profit or loss | Impact on other comprehensive incomes |
|---|---|---|---|---|---|---|

**(4) Investment properties without obtained property rights certificates**

None.

## 21. Fixed assets

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Fixed assets | 2,646,225,977.26 | 2,424,113,735.05 |
| Total | 2,646,225,977.26 | 2,424,113,735.05 |

## (1) Fixed assets situation

Unit: CNY

| Items | Houses and buildings | Fixed asset renovation | Testing equipment | Office equipment | Transportation equipment | Total |
|---|---|---|---|---|---|---|
| I. Original book value: | | | | | | |
| 1. Opening balance | 1,388,057,434.24 | 133,400,527.56 | 3,005,506,573.17 | 92,656,421.15 | 33,275,508.49 | 4,652,896,464.61 |
| 2. Increase in the current period | 171,697,966.58 | 17,932,765.72 | 440,093,262.98 | 21,898,994.09 | 2,050,700.89 | 653,673,690.26 |
| (1) Acquisitions | 0.00 | 0.00 | 371,451,411.31 | 13,927,904.46 | 1,558,129.29 | 386,937,445.06 |
| (2) Transfers from construction in progress | 164,270,511.89 | 17,932,765.72 | | | | 182,203,277.61 |
| (3) Increase due to business combinations | 7,215,761.11 | | 68,641,851.67 | 7,971,089.63 | 492,571.60 | 84,321,274.01 |
| (4) Others | 211,693.58 | | | | | 211,693.58 |
| 3. Decrease in the current | 20,296,095.23 | | 73,010,923.38 | 5,921,260.32 | 1,778,709.69 | 101,006,988.62 |

| | | | | | | |
|---|---|---|---|---|---|---|
| period | | | | | | |
| (1) Disposals or scrapings | 19,348,786.80 | | 68,686,694.27 | 5,833,733.35 | 1,772,962.03 | 95,642,176.45 |
| (2) Exchange rate fluctuations | 816,556.51 | | 4,324,229.11 | 87,526.97 | 5,747.66 | 5,234,060.25 |
| (3) Others | 130,751.92 | | | | | 130,751.92 |
| 4. Closing balance | 1,539,459,305.59 | 151,333,293.28 | 3,372,588,912.77 | 108,634,154.92 | 33,547,499.69 | 5,205,563,166.25 |
| II. Accumulated depreciation | | | | | | |
| 1. Opening balance | 116,232,900.36 | 40,875,226.27 | 1,983,973,280.57 | 61,509,196.45 | 26,192,125.91 | 2,228,782,729.56 |
| 2. Increase in the current period | 39,799,119.82 | 4,354,370.51 | 341,149,940.49 | 16,214,881.19 | 2,371,239.51 | 403,889,551.52 |
| (1) Provision | 34,386,375.50 | 4,354,370.51 | 288,213,313.95 | 10,126,701.85 | 2,125,958.96 | 339,206,720.77 |
| (2) Increase due to business combinations | 5,393,750.34 | | 52,936,626.54 | 6,088,179.34 | 245,280.55 | 64,663,836.77 |
| (3) Others | 18,993.98 | | | | | 18,993.98 |
| 3. Decrease in the current period | 9,106,289.87 | | 57,411,733.34 | 5,166,262.19 | 1,650,806.69 | 73,335,092.09 |
| (1) Disposals or scrapings | 8,720,356.43 | | 54,309,553.14 | 5,109,717.03 | 1,676,736.39 | 69,816,362.99 |
| (2) Exchange rate fluctuations | 373,965.95 | | 3,102,180.20 | 56,545.16 | -25,929.70 | 3,506,761.61 |
| (3) Others | 11,967.49 | | | | | 11,967.49 |
| 4. Closing balance | 146,925,730.31 | 45,229,596.78 | 2,267,711,487.72 | 72,557,815.45 | 26,912,558.73 | 2,559,337,188.99 |
| III. Provision for impairment | | | | | | |
| 1. Opening balance | | | | | | |
| 2. Increase in the current period | | | | | | |
| (1) Provision | | | | | | |
| | | | | | | |
| 3. Decrease in the current period | | | | | | |
| (1) Disposals or scrapings | | | | | | |
| | | | | | | |
| 4. Closing balance | | | | | | |
| IV. Book value | | | | | | |
| 1. Closing | 1,392,533,575.28 | 106,103,696.50 | 1,104,877,425.05 | 36,076,339.47 | 6,634,940.96 | 2,646,225,977.26 |

| | | | | | | |
|---|---|---|---|---|---|---|
| book value | | | | | | |
| 2. Opening book value | 1,271,824,533.88 | 92,525,301.29 | 1,021,533,292.60 | 31,147,224.70 | 7,083,382.58 | 2,424,113,735.05 |

### (2) Temporary idle fixed assets

Unit: CNY

| Items | Original book value | Accumulated depreciation | Provision for impairment | Book value | Remark |
|---|---|---|---|---|---|

### (3) Fixed assets leased out through operating leases

Unit: CNY

| Items | Closing book value |
|---|---|

### (4) Fixed assets without obtained property rights certificates

Unit: CNY

| Items | Book value | Reasons for not obtaining property rights certificates: |
|---|---|---|
| Building 21, Huilongsen Science and Technology Park, Beijing Economic Development Zone | 23,777,151.51 | Inability to obtain property rights certificates due to changes in the usage of purchased industrial projects and the influence of the property certificate application policies for industrial land by the Beijing Economic and Technological Development Zone. |
| Northern Base Project Construction | 188,693,833.16 | Currently in process |
| Total | 212,470,984.67 | |

Other Notes:

### (5) Impairment testing of fixed assets

□ Applicable ☑ Not applicable

### (6) Liquidation of fixed assets

None.

## 22. Construction in progress

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Construction in progress | 102,140,783.53 | 213,857,614.03 |
| Total | 102,140,783.53 | 213,857,614.03 |

### (1) Construction in progress

Unit: CNY

| Items | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for | Book value | Book balance | Provision for | Book value |

| | | impairment | | | impairment | |
|---|---|---|---|---|---|---|
| Establishment of China Headquarters and South China Testing Base | 2,026,820.09 | | 2,026,820.09 | 7,222,666.32 | | 7,222,666.32 |
| Equipment Installation | 15,945,625.69 | | 15,945,625.69 | 56,915,043.15 | | 56,915,043.15 |
| Software Installation | 5,177,140.36 | | 5,177,140.36 | 1,196,676.47 | | 1,196,676.47 |
| Information System Construction (Phase 2) | 302,264.15 | | 302,264.15 | 302,264.15 | | 302,264.15 |
| Office and Laboratory Renovation | 7,787,848.97 | | 7,787,848.97 | 6,731,235.61 | | 6,731,235.61 |
| Kunshan Biology (Suzhou) Phase 2 | 1,013,706.59 | | 1,013,706.59 | 133,569,603.85 | | 133,569,603.85 |
| Northern Testing Base | | | | 4,285,025.68 | | 4,285,025.68 |
| Southern Testing Base | 1,853,669.72 | | 1,853,669.72 | 2,987,718.15 | | 2,987,718.15 |
| Central China Testing Base | 225,000.00 | | 225,000.00 | | | |
| Qingdao Testing Base | 24,905.66 | | 24,905.66 | 24,905.66 | | 24,905.66 |
| Hangzhou Base | 67,394,049.76 | | 67,394,049.76 | 622,474.99 | | 622,474.99 |
| Others | 389,752.54 | | 389,752.54 | | | |
| Total | 102,140,783.53 | | 102,140,783.53 | 213,857,614.03 | | 213,857,614.03 |

## (2) Changes in significant construction in progress projects this period

Unit: CNY

| Project name | Budget amount | Opening balance | Increase in the current period | Amount transferred to fixed assets this period | Other decrease amount this period | Closing balance | Cumulative investment as a percentage of budget | Project progress | Accumulated amount of capitalized interest | Including: Capitalized interest amount this period | Capitalization rate this period | Source of funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hangzhou Base | 216,918,610.00 | 622,474.99 | 66,771,574.77 | | | 67,394,049.76 | | Note 1 | | | | Others |
| Total | 216,918,610.00 | 622,474.99 | 66,771,574.77 | | | 67,394,049.76 | | | | | | |

## (3) Provision for impairment of construction in progress this period

None.

Note 1: Progress of significant construction in progress projects as follows

| Project name | Budget amount (in CNY 10,000) | Investment as a percentage of budget (%) | Project progress (%) | Accumulated amount of capitalized interest | Including: Capitalized interest amount this period | Capitalization rate this period (%) | Source of funds |
|---|---|---|---|---|---|---|---|
| Hangzhou Base - infrastructure construction | 21,691.86 | 31.07 | 70 | | | | Private capital |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Total | 21,691.86 | 31.07 | 70 | | | | |

### (4) Impairment testing of construction in progress

□ Applicable ☑ Not applicable

### (5) Engineering materials

None.

## 23. Productive biological assets

### (1) Productive biological assets measured at cost

□ Applicable ☑ Not applicable

### (2) Impairment testing of productive biological assets measured at cost

□ Applicable ☑ Not applicable

### (3) Productive biological assets measured at fair value

□ Applicable ☑ Not applicable

## 24. Oil and gas assets

□ Applicable ☑ Not applicable

## 25. Right-of-use assets

### (1) Situation of right-of-use assets

Unit: CNY

| Items | Lease of buildings | Lease of equipment | Lease of vehicles | Lease of land | Other leases | Total |
|---|---|---|---|---|---|---|
| I. Original book value | | | | | | |
| 1. Opening balance | 526,979,993.48 | 8,207,374.11 | 387,158.37 | 2,162,406.16 | | 537,736,932.12 |
| 2. Increase in the current period | 87,677,715.25 | 1,047,284.80 | 2,406,860.37 | | 189,785.21 | 91,321,645.63 |
| (1) Lease | 79,547,334.39 | 1,047,284.80 | 1,357,694.85 | | 189,785.21 | 82,142,099.25 |
| (2) Non-controlling interest entity combination | 8,130,380.86 | | 1,049,165.52 | | | 9,179,546.38 |
| 3. Decrease in the current period | 39,509,617.41 | 752,248.96 | 15,463.33 | 79,431.52 | | 40,356,761.22 |
| (1) Lease expires | 38,339,170.00 | 487,107.90 | | | | 38,826,277.90 |
| (2) Foreign | 1,170,447.41 | 265,141.06 | 15,463.33 | 79,431.52 | | 1,530,483.32 |

| | | | | | | |
|---|---|---|---|---|---|---|
| currency translation differences in financial statements | | | | | | |
| 4. Closing balance | 575,148,091.32 | 8,502,409.95 | 2,778,555.41 | 2,082,974.64 | 189,785.21 | 588,701,816.53 |
| II. Accumulated depreciation | | | | | | |
| 1. Opening balance | 187,571,555.50 | 4,123,788.72 | 387,158.37 | 318,049.12 | | 192,400,551.71 |
| 2. Increase in the current period | 111,856,249.94 | 1,488,407.90 | 308,331.58 | 61,784.71 | 42,854.63 | 113,757,628.76 |
| (1) Provision | 108,935,961.28 | 1,488,407.90 | 308,331.58 | 61,784.71 | 42,854.63 | 110,837,340.10 |
| (2) Non-controlling interest entity combination | 2,920,288.66 | | | | | 2,920,288.66 |
| 3. Decrease in the current period | 35,174,556.22 | 640,770.80 | 46,602.92 | 12,027.43 | | 35,873,957.37 |
| (1) Disposals | | | | | | |
| (2) Lease expires | 35,727,971.46 | 487,107.90 | | | | 36,215,079.36 |
| (3) Foreign currency translation differences in financial statements | -553,415.24 | 153,662.90 | 46,602.92 | 12,027.43 | | -341,121.99 |
| 4. Closing balance | 264,253,249.22 | 4,971,425.82 | 648,887.03 | 367,806.40 | 42,854.63 | 270,284,223.10 |
| III. Provision for impairment | | | | | | |
| 1. Opening balance | | | | | | |
| 2. Increase in the current period | | | | | | |
| (1) Provision | | | | | | |
| | | | | | | |
| 3. Decrease in the current period | | | | | | |
| (1) Disposals | | | | | | |
| | | | | | | |
| 4. Closing balance | | | | | | |
| IV. Book value | | | | | | |
| 1. Closing book value | 310,894,842.10 | 3,530,984.13 | 2,129,668.38 | 1,715,168.24 | 146,930.58 | 318,417,593.43 |
| 2. Opening book value | 339,408,437.98 | 4,083,585.39 | | 1,844,357.04 | | 345,336,380.41 |

## (2) Impairment testing of right-of-use assets

□ Applicable ☑ Not applicable

Other Notes:

## 26. Intangible assets

## (1) Intangible assets

Unit: CNY

| Items | Land use rights | Patent rights | Non-patent technologies | Software | Trademark rights | Talent housing sublease rights | Others | Total |
|---|---|---|---|---|---|---|---|---|
| I. Original book value | | | | | | | | |
| 1. Opening balance | 160,734,674.82 | 1,835,106.57 | | 81,258,434.06 | 205,763.43 | 11,769,793.00 | | 255,803,771.88 |
| 2. Increase in the current period | 22,557,922.02 | 355,188.43 | | 6,341,695.38 | 63,160.67 | | 1,850,000.00 | 31,167,966.50 |
| (1) Acquisitions | 19,376,103.22 | 164,088.43 | | 4,017,294.13 | | | | 23,557,485.78 |
| (2) Internal development | | | | | | | | |
| (3) Increase due to business combinations | 3,181,818.80 | 191,100.00 | | 1,293,358.47 | 63,160.67 | | 1,850,000.00 | 6,579,437.94 |
| (4) Transfers from construction in progress | | | | 1,031,042.78 | | | | 1,031,042.78 |
| 3. Decrease in the current period | 34,710.13 | 105,320.15 | | 2,117,907.21 | 1,868.42 | | | 2,259,805.91 |
| (1) Disposals | | 104,682.49 | | 1,935,320.10 | | | | 2,040,002.59 |
| (2) Reductions due to other reasons | 34,710.13 | 637.66 | | 182,587.11 | 1,868.42 | | | 219,803.32 |
| 4. Closing balance | 183,257,886.71 | 2,084,974.85 | | 85,482,222.23 | 267,055.68 | 11,769,793.00 | 1,850,000.00 | 284,711,932.47 |
| II. | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Accumulated amortization | | | | | | | | |
| 1. Opening balance | 24,260,467.30 | 780,051.59 | | 64,965,882.57 | 203,671.29 | | | 90,210,072.75 |
| 2. Increase in the current period | 3,682,933.75 | 347,120.84 | | 6,322,648.70 | 64,953.95 | 8,511.11 | | 10,426,168.35 |
| (1) Provision | 3,297,297.62 | 340,682.37 | | 5,324,915.71 | 1,793.28 | 8,511.11 | | 8,973,200.09 |
| (2) Increase due to business combinations | 385,636.13 | | | 756,272.47 | 63,160.67 | | | 1,205,069.27 |
| (3) Increase due to other reasons | | 6,438.47 | | 241,460.52 | | | | 247,898.99 |
| 3. Decrease in the current period | 4,206.96 | 6,979.49 | | 1,931,015.53 | 1,868.42 | | | 1,944,070.40 |
| (1) Disposals | | 6,979.49 | | 1,931,015.53 | | | | 1,937,995.02 |
| (2) Reductions due to other reasons | 4,206.96 | | | | 1,868.42 | | | 6,075.38 |
| 4. Closing balance | 27,939,194.09 | 1,120,192.94 | | 69,357,515.74 | 266,756.82 | 8,511.11 | | 98,692,170.70 |
| III. Provision for impairment | | | | | | | | |
| 1. Opening balance | | | | | | | | |
| 2. Increase in the current period | | | | | | | | |
| (1) Provision | | | | | | | | |
| | | | | | | | | |
| 3. Decrease in the current period | | | | | | | | |
| (1) Disposals | | | | | | | | |
| | | | | | | | | |
| 4. Closing | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| balance | | | | | | | | |
| IV. Book value | | | | | | | | |
| 1. Closing book value | 155,318,692.62 | 964,781.91 | | 16,124,706.49 | 298.86 | 11,761,281.89 | 1,850,000.00 | 186,019,761.77 |
| 2. Opening book value | 136,474,207.52 | 1,055,054.98 | | 16,292,551.49 | 2,092.14 | 11,769,793.00 | | 165,593,699.13 |

The proportion of intangible assets formed through internal development at the end of the period is 0.00% of the total intangible asset balance.

### (2) Data resources recognized as intangible assets

□ Applicable ☑ Not applicable

### (3) Land use rights without obtained property rights certificates

Unit: CNY

| Items | Book value | Reasons for not obtaining property rights certificates: |
|---|---|---|
| Bao'an Comprehensive Testing Service Base | 19,246,384.60 | It has been completed in 2025 |

Other Notes:

### (4) Impairment testing of intangible assets

□ Applicable ☑ Not applicable

## 27. Goodwill

### (1) Book value of goodwill

Unit: CNY

| Name of investee or matters forming goodwill | Opening balance | Increase in the current period | | Decrease in the current period | | Closing balance |
|---|---|---|---|---|---|---|
| | | Formed through business combinations | | Disposal | | |
| Shenzhen CTI Commodity Inspection Co., Ltd. | 1,350,689.56 | | | | | 1,350,689.56 |
| Centre Testing International Certification Co., Ltd. | 14,439,605.45 | | | | | 14,439,605.45 |
| Suzhou CTI Anping Technology Services Co., Ltd. | 1,438,062.22 | | | | | 1,438,062.22 |
| CEM INTERNATIONAL LTD | 5,650,226.78 | | | | | 5,650,226.78 |
| Hangzhou | 76,020,012.18 | | | | | 76,020,012.18 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Hua'an Testing Technology Co., Ltd. | | | | | | |
| Heilongjiang CTI Testing Technology Co., Ltd. | 9,904,997.25 | | | | | 9,904,997.25 |
| Dalian Huaxin Physicochemical Testing Center Co., Ltd. | 4,441,430.10 | | | | | 4,441,430.10 |
| POLY NDT (PRIVATE) LIMITED | 12,571,370.70 | | | | | 12,571,370.70 |
| Shenzhen TNLINK Technology Development Co., Ltd. | 2,546,474.84 | | | | | 2,546,474.84 |
| Xinjiang Kerui Testing Technology Co., Ltd. | 315,716.63 | | | | | 315,716.63 |
| Henan CTI Testing Technology Co., Ltd. | 2,677,919.58 | | | | | 2,677,919.58 |
| CTI Engineering Testing Co., Ltd. | 6,000,837.21 | | | | | 6,000,837.21 |
| Zhoushan Jingwei Ship Service Co., Ltd. | 8,266,652.33 | | | | | 8,266,652.33 |
| Jiangyin CTI Zhi’an Outpatient Department Co., Ltd. | 7,325,389.95 | | | | | 7,325,389.95 |
| Ningbo Weizhi Testing Technology Services Co., Ltd. | 27,892,342.26 | | | | | 27,892,342.26 |
| Beijing CTI Food and Agricultural Certification Services Co., Ltd. | 2,517,865.38 | | | | | 2,517,865.38 |
| CTI Electronic Certification Co., Ltd. | 39,885,576.12 | | | | | 39,885,576.12 |
| Fujian Shangwei Testing Co., Ltd. | 9,267,740.57 | | | | | 9,267,740.57 |
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 5,830,283.11 | | | | | 5,830,283.11 |
| Suzhou Wuzhong Economic | 3,970,287.04 | | | | | 3,970,287.04 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Development Zone Jiakang Outpatient Department Co., Ltd. | | | | | | |
| Hebei CTI Junrui Testing Technology Co., Ltd. | 100.00 | | | | | 100.00 |
| Zhejiang CTI Yuanjian Testing Co., Ltd. | 4,639,851.98 | | | | | 4,639,851.98 |
| MARITEC PTE. LTD. | 266,673,016.25 | | | | | 266,673,016.25 |
| CTI Ecological Environment Technology (Tianjin) Co., Ltd. | 12,891,815.10 | | | | | 12,891,815.10 |
| Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | 26,244,810.08 | | | | | 26,244,810.08 |
| imat-uve gmbh | 120,772,523.10 | | | | | 120,772,523.10 |
| Jilin Anxin Food Technology Services Co., Ltd. | 5,728,087.01 | | | | | 5,728,087.01 |
| CTI (Nantong) Automotive Technology Services Co., Ltd. | 18,461,648.53 | | | | | 18,461,648.53 |
| Shaanxi Huabang Testing Service Co., Ltd. | 11,906,227.64 | | | | | 11,906,227.64 |
| CTI VESP Testing Technology Co., Ltd. | 115,095,289.43 | | | 11,130,465.06 | | 103,964,824.37 |
| Xipai Technology (Nanjing) Co., Ltd. | 4,231,696.44 | | | | | 4,231,696.44 |
| Guangzhou Vectoring Pharmatech Co., Ltd. | 17,784,899.25 | | | | | 17,784,899.25 |
| Guangdong Neway Quality Technology Service Co., Ltd. | 20,128,344.52 | | | | | 20,128,344.52 |
| CTI Fengxue Testing Technology Co., Ltd. | 22,727,011.11 | | | | | 22,727,011.11 |
| VIRCON LIMITED | | 111,768,052.35 | | | | 111,768,052.35 |
| GRAND VANTAGE | | 8,121,243.79 | | | | 8,121,243.79 |

| | | | | | | |
|---|---|---|---|---|---|---|
| GLOBAL VERIFICATION LIMITED | | | | | | |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | | 3,237,346.38 | | | | 3,237,346.38 |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | | 6,563,533.83 | | | | 6,563,533.83 |
| NAIAS SCIENTIFIC | | 124,921,798.44 | | | | 124,921,798.44 |
| Greater Asia Pacific Limited | | 44,243,585.31 | | | | 44,243,585.31 |
| Total | 889,598,799.70 | 298,855,560.10 | | 11,130,465.06 | | 1,177,323,894.74 |

## (2) Provision for impairment of goodwill

Unit: CNY

| Name of investee or matters forming goodwill | Opening balance | Increase in the current period | | Decrease in the current period | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | | Disposal | | |
| Shenzhen CTI Commodity Inspection Co., Ltd. | 1,350,689.56 | | | | | 1,350,689.56 |
| Suzhou CTI Anping Technology Services Co., Ltd. | 1,438,062.22 | | | | | 1,438,062.22 |
| CEM INTERNATIONAL LTD | 5,650,226.78 | | | | | 5,650,226.78 |
| Hangzhou Hua'an Testing Technology Co., Ltd. | 61,129,989.71 | | | | | 61,129,989.71 |
| Shenzhen TNLINK Technology Development Co., Ltd. | 2,546,474.84 | | | | | 2,546,474.84 |
| Xinjiang Kerui Testing Technology Co., Ltd. | 315,716.63 | | | | | 315,716.63 |
| Zhoushan Jingwei Ship Service Co., Ltd. | 8,266,652.33 | | | | | 8,266,652.33 |
| Hebei CTI Junrui Testing Technology Co., Ltd. | 100.00 | | | | | 100.00 |
| Fujian Shangwei | 3,707,868.38 | 1,011,043.41 | | | | 4,718,911.79 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Testing Co., Ltd. | | | | | | |
| imat-uve gmbh | | 13,235,123.33 | | | | 13,235,123.33 |
| Total | 84,405,780.45 | 14,246,166.74 | | | | 98,651,947.19 |

## (3) Relevant information of assets group or grouping containing goodwill

| Name | Composition and basis of the asset group or portfolio to which it belongs | Operating segment to which it belongs and basis | Whether consistent with previous years |
|---|---|---|---|

Changes in the asset group or asset group portfolio

| Name | Composition before the change | Composition after the change | Objective facts and basis leading to the change |
|---|---|---|---|

Other descriptions

(1) In December 2010, the Company acquired 81.00% equity of Centre Testing International Certification Co., Ltd. (hereinafter referred to as “CTI Certification") for a transaction price of CNY 17.10 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 14.4396 million, recognized as goodwill related to CTI Certification.

(2) In December 2014, the Company issued shares and paid cash to acquire 100.00% equity of Hangzhou Hua'an Testing Technology Co., Ltd. (hereinafter referred to as "Hangzhou Hua'an") for a transaction price of CNY 180 million. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 76.02 million, recognized as goodwill related to Hangzhou Hua'an.

(3) In May 2014, the Company completed the acquisition of 100.00% equity of Heilongjiang CTI Testing Technology Co., Ltd. (hereinafter referred to as "Heilongjiang CTI") for a total transaction price of CNY 13 million. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 9.905 million, recognized as goodwill related to Heilongjiang CTI.

(4) In April 2014, the Company acquired 100.00% equity of Dalian Huaxin Physical and Chemical Testing Center Co., Ltd. (hereinafter referred to as “Dalian Huaxin”) for a transaction price of CNY 8.11 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 4.4414 million, recognized as goodwill related to Dalian Huaxin.

(5) In June 2014, CTI Holdings (Hong Kong) Co., Ltd. acquired 70.00% equity of POLY NDT (PRIVATE) LIMITED for a transaction price of 3.5142 million Singapore dollars (in addition to this amount, all other amounts listed are in CNY). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 12.5714 million, recognized as goodwill related to POLY NDT (PRIVATE) LIMITED.

(6) In July 2015, the Company acquired 100.00% equity of Henan CTI Testing Technology Co., Ltd. (hereinafter referred to as "Henan CTI") for a transaction price of CNY 5.5 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 2.6779 million, recognized as goodwill related to Henan CTI.

(7) In December 2015, the Company acquired 65.00% equity of CTI Engineering Testing Co., Ltd. (hereinafter referred to as "CTI Engineering") for a transaction price of CNY 7.8 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 6.0008 million, recognized as goodwill related to CTI Engineering.

(8) In April 2016, the Company acquired 66.67% equity of Jiangyin CTI Zhi’an Outpatient Department Co., Ltd. (hereinafter referred to as "Jiangyin Zhi’an") for a transaction price of CNY 10 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 7.3254 million, recognized as goodwill related to Jiangyin Zhi’an.

(9) In April 2016, the Company acquired 100.00% equity of Ningbo Weizhi Testing Technology Services Co., Ltd. (hereinafter referred to as "Ningbo Weizhi") for a transaction price of CNY 43.8675 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 27.8923 million, recognized as goodwill related to Ningbo Weizhi.

(10) In July 2016, the Company acquired 100.00% equity of Beijing CTI Food and Agricultural Certification Services Co., Ltd. (hereinafter referred to as "Beijing CTI Food and Agricultural") for a transaction price of CNY 3.1852 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 2.5179 million, recognized as goodwill related to Beijing CTI Food and Agricultural.

(11) In August 2016, the Company acquired 71.26% equity of CTI Electronic Certification Co., Ltd. (hereinafter referred to as "CTI Electronic") for a transaction price of CNY 71 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 39.8856 million, recognized as goodwill related to CTI Electronic.

(12) In October 2016, the Company acquired 51.00% equity of Fujian Shangwei Testing Co., Ltd. (hereinafter referred to as “Fujian Shangwei”) for a transaction price of CNY 11.73 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 9.2677 million, recognized as goodwill related to Fujian Shangwei.

(13) In February 2017, the Company acquired 68.00% equity of Sichuan CTI Jianxin Testing Technology Co., Ltd. (hereinafter referred to as "Sichuan Jianxin") for a transaction price of CNY 9.18 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 5.8303 million, recognized as goodwill related to Sichuan Jianxin.

(14) In December 2018, Jiangyin CTI Zhi’an Outpatient Department Co., Ltd. acquired 100.00% equity of Suzhou Wuzhong Economic Development Zone Jiakang Outpatient Department Co., Ltd. (hereinafter referred to as "Suzhou Jiakang") for a transaction price of CNY 5 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 3.9703 million, recognized as goodwill related to Suzhou Jiakang.

(15) In August 2019, the Company acquired 51.00% equity of Zhejiang CTI Yuanjian Testing Co., Ltd. (hereinafter referred to as "Zhejiang Yuanjian") for a transaction price of CNY 9.6148 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 4.6399 million, recognized as goodwill related to Zhejiang Yuanjian.

(16) In June 2020, CTI Holdings (Hong Kong) Co., Ltd. acquired 100.00% equity of MARITEC PTE. LTD. for a transaction price of CNY 287.9493 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 266.6730 million, recognized as goodwill related to MARITEC PTE. LTD.

(17) In September 2020, the Company acquired 51.00% equity of CTI Ecological Environment Technology (Tianjin) Co., Ltd. (hereinafter referred to as "Tianjin Ecological City") for a transaction price of CNY 34.96 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 12.8918 million, recognized as goodwill related to Tianjin Eco-City.

(18) In January 2021, the Company acquired 40.00% equity of Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. (hereinafter referred to as “Haotu Consulting”) for a transaction price of CNY 19.2 million in cash. After the acquisition, the Company cumulatively held 60.00% equity of Haotu Enterprise Management Consulting (Shanghai) Co., Ltd., which became a subsidiary controlled by the Company. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 26.2448 million, recognized as goodwill related to Haotu Consulting.

(19) In December 2021, CTI Germany Holding GmbH & Co. KG acquired 90.00% equity of imat-uve gmbh (hereinafter referred to as "German Imat") for a transaction price of CNY 144.9043 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 120.7725 million, recognized as goodwill related to imat-uve gmbh.

(20) In January 2022, the Company acquired 70.00% equity of Jilin Anxin Food Technology Services Co., Ltd. (hereinafter referred to as "Jilin Anxin") for a transaction price of CNY 7.1343 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 5.7281 million, recognized as goodwill related to Jilin Anxin.

(21) In May 2022, the Company acquired 100.00% equity of CTI (Nantong) Automotive Technology Services Co., Ltd., Ltd. (hereinafter referred to as "CTI Nantong") for a transaction price of CNY 36.9 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 18.4616 million, recognized as goodwill related to CTI Nantong.

(22) In January 2023, the Company acquired 70.00% equity of Shaanxi Huabang Testing Service Co., Ltd. (hereinafter referred to as "Shaanxi Huabang") for a transaction price of CNY 25.3539 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 11.9062 million, recognized as goodwill related to Shaanxi Huabang.

(23) In January 2023, the Company acquired 100.00% equity of CTI-VESP Technology Corp. (hereinafter referred to as "VESP") for a transaction price of CNY 161.57 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 115.0953 million, recognized as goodwill related to VESP.

(24) In February 2023, the Company acquired 100.00% equity of Xipai Technology (Nanjing) Co., Ltd. (hereinafter referred to as "Xipai Technology") for a transaction price of CNY 9.2995 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 4.2317 million, recognized as goodwill related to Xipai Technology.

(25) In February 2023, Shanghai CTI Pinchuang Medical Testing Co., Ltd. acquired 100.00% equity of Guangzhou Vectoring Pharmatech, LTD (hereinafter referred to as “Guangzhou Vectoring Pharmatech”) for a transaction price of CNY 29.00 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 17.7849 million, recognized as goodwill related to Guangzhou Vectoring Pharmatech.

(26) In June 2023, Shanghai CTI Pinchuang Medical Testing Co., Ltd. acquired 83.12% equity of Guangdong Neway Quality Technology Service Co., Ltd. (hereinafter referred to as “CTI Neway") for a transaction price of CNY 20.0004 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 20.1283 million, recognized as goodwill related to CTI Neway.

(27) In August 2023, the Company acquired 51.96% equity of CTI Fengxue Testing Technology Co., Ltd. (hereinafter referred to as "CTI Fengxue") for a transaction price of CNY 28.08 million in cash. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 22.7270 million, recognized as goodwill related to CTI Fengxue.

(28) In March 2024, the Company paid CNY 140.413 million in cash to acquire 55.00% of the equity interest in VIRCON LIMITED (hereinafter referred to as “VIRCON”). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 111.7681 million, recognized as goodwill related to Hong Kong VIRCON.

(29) In June 2024, the Company paid CNY 10.7088 million in cash to acquire 100.00% of the equity interest in GRAND VANTAGE GLOBAL VERIFICATION LIMITED (hereinafter referred to as “Taiwan GRAND VANTAGE”). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 8.1212 million, recognized as goodwill related to Taiwan GRAND VANTAGE.

(30) In July 2024, the Company paid CNY 791,300 in cash to acquire 41.00% of the equity interest in CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. (hereinafter referred to as “CTI CI&A”). Upon completion of the acquisition, the Company held a cumulative 51.00% equity interest in CTI CI&A, which became a controlled subsidiary of the Company. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 3.2373 million, recognized as goodwill related to CTI CI&A.

(31) In September 2024, the Company paid CNY 4.59 million in cash to acquire 90.00% of the equity interest in Zhongxin

Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei (hereinafter referred to as "Hefei Zhongxin"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 6.5635 million, recognized as goodwill related to Hefei Zhongxin.

(32) In December 2024, MARITEC PTE. LTD. paid CNY 160.528 million in cash to acquire 100.00% of the equity interest in NAIAS SCIENTIFIC (hereinafter referred to as "NAIAS"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 124.9218 million, recognized as goodwill related to NAIAS.

(33) In December 2024, the Company paid CNY 59.0141 million in cash to acquire 100.00% of the equity interest in Greater Asia Pacific Limited (hereinafter referred to as "Greater Asia Pacific"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 44.2436 million, recognized as goodwill related to Greater Asia Pacific.

## (4) Specific determination method of recoverable amount

The recoverable amount is determined by subtracting disposal costs from the fair value

□ Applicable ☑ Not applicable

The recoverable amount is determined by the present value of expected future cash flows

□ Applicable ☑ Not applicable

Reasons for the significant differences between the above information and the information or external factors used in impairment testing in previous years

Reasons for the significant differences between the information or assumptions used in impairment testing in previous years and the actual circumstances in the current year

## (5) Completion of performance commitments and corresponding impairment of goodwill

There is a performance commitment when goodwill is formed and the reporting period or the previous period of the reporting period is within the performance commitment period

□ Applicable ☑ Not applicable

Other Notes:

1. Goodwill impairment test process, key parameters and recognition method of goodwill impairment loss

(1) For the purpose of goodwill impairment test, the Company evaluate the recoverable amount of the asset group related to the goodwill formed by the acquisition of CTI Certification at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of CTI Certification included the asset groups consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 25.5427 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of CTI Certification, was CNY 238.9708 million; and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| CTI Certification | The forecast period is from 2025 to 2029, followed by a stable period | 0.80% | 60.85% | 12.00% |

(2) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Hangzhou Hua'an at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Hangzhou Hua'an included the asset groups consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 111.1338 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Hangzhou Hua'an, was CNY 87.3414 million, and the goodwill was impaired by CNY 23.7924 million; the consolidated goodwill attributable to the parent company was impaired by CNY 23.7924 million. As of December 31, 2024, the Company has made impairment provisions of CNY 61.13 million for the goodwill related to Hangzhou Hua'an, therefore, no further goodwill impairment provisions will be made for this reporting period.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast | Average gross profit margin | (Pre-tax) Discount rate |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| | | period | during the forecast period | |
| Hangzhou Hua'an | The forecast period is from 2025 to 2029, followed by a stable period | 5.13% | 25.80% | 12.59% |

(3) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of POLY NDT (PRIVATE) LIMITED at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of POLY NDT (PRIVATE) LIMITED included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 3.0742 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of POLY NDT (PRIVATE) LIMITED, was CNY 27.2957 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| POLY NDT (PRIVATE) LIMITED | The forecast period is from 2025 to 2029, followed by a stable period | 6.74% | 53.24% | 12.31% |

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

(4) For the purpose of goodwill impairment test testing, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Ningbo Weizhi at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Ningbo Weizhi included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 28.5328 million.

Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Ningbo Weizhi, was CNY 29.7257 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Ningbo Weizhi | The forecast period is from 2025 to 2029, followed by a stable period | 2.30% | 56.55% | 14.27% |

(5) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of CTI Electronics at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of CTI Electronics included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 53.9388 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of CTI Electronics, was CNY 107.2522 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| CTI Electronics | The forecast period is from 2025 to 2029, followed by a stable period | -2.15% | 66.29% | 9.76% |

(6) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Fujian Shangwei at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Fujian Shangwei included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 19.7778 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Fujian Shangwei, was CNY 10.5250 million, the goodwill was impaired by CNY 9.2528 million, and the consolidated goodwill attributable to the parent company was impaired by CNY 4.7189 million. As of December 31, 2024, the Company had made impairment provisions of CNY 3.7079 million for the goodwill related to Fujian Shangwei, and thus made impairment provisions of CNY 1.011 million for goodwill during this reporting period.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Fujian Shangwei | The forecast period is from 2025 to 2029, followed by a stable period | 13.87% | 30.02% | 13.60% |

(7) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Sichuan Jianxin at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Sichuan Jianxin included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 32.0668 million.

Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Sichuan Jianxin's evaluation, was CNY 32.9627 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Sichuan Jianxin | The forecast period is from 2025 to 2029, followed by a stable period | 6.75% | 37.60% | 11.88% |

(8) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Zhejiang Yuanjian at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Zhejiang Yuanjian included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 19.3167 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Zhejiang Yuanjian, was CNY 19.7119 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Zhejiang Yuanjian | The forecast period is from 2025 to 2029, followed by a stable period | 14.66% | 41.23% | 13.60% |

(9) For the purpose of goodwill impairment test, the Company employed Beijing Zhonglin Assets Appraisal Co., Ltd. to evaluate the recoverable amount of the asset group related to the goodwill formed by the acquisition of MARITEC PTE. LTD., and issued the ZLPZ [2025] No. 81 Asset Assessment Report. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of MARITEC PTE. LTD. included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 279.5193 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of MARITEC PTE. LTD., was CNY 288.0463 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| MARITEC PTE. LTD. | The forecast period is from 2025 to 2029, followed by a stable period | 4.80% | 50.88% | 12.31% |

(10) For the purpose of goodwill impairment test, the Company employed Beijing Zhonglin Assets Appraisal Co., Ltd. to evaluate the recoverable amount of the asset group related to the goodwill formed by the acquisition of Tianjin Eco-City, and issued the ZLPZ [2025] No. 82 Asset Assessment Report. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Tianjin Eco-City included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 26.8286 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the base date for

Tianjin Eco-city, was CNY 28.9955 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Tianjin Eco-City | The forecast period is from 2025 to 2029, followed by a stable period | 26.02% | 33.78% | 12.61% |

(11) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Haotu Consulting at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Haotu Consulting included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 63.9657 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Haotu Consulting, was CNY 66.5313 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Haotu Consulting | The forecast period is from 2025 to 2029, followed by a stable period | 6.62% | 37.21% | 12.83% |

(12) For the purpose of goodwill impairment test, the Company employed Beijing Zhonglin Assets Appraisal Co., Ltd. to evaluate the recoverable amount of the asset group related to the goodwill formed by the acquisition of German Imat, and issued

the ZLPZ [2025] No. 80 Asset Assessment Report. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of German Imat included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 225.2301 million. Based on the income approach valuation, the recoverable amount of the asset group as at December 31, 2024, the valuation date, for Germany-based Imat was CNY 210.5244 million. An impairment loss of CNY 14.7057 million was recognized for the goodwill, and an impairment loss of CNY 13.2351 million was recognized for the consolidated goodwill attributable to the parent company. As of December 31, 2024, the Company had made no impairment provisions for the goodwill related to Germany-based Imat, and thus made impairment provisions of CNY 13.2351 million for goodwill during this reporting period.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| German Imat | The forecast period is from 2025 to 2029, followed by a stable period | 12.37% | 48.35% | 12.59% |

(13) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Jilin Anxin at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Jilin Anxin included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 10.3871 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Jilin Anxin, was CNY 22.1266 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Jilin Anxin | The forecast period is from 2025 to 2029, followed by a stable period | 6.13% | 46.17% | 13.60% |

(14) For the purpose of goodwill impairment test, the Company employed Beijing Zhonglin Assets Appraisal Co., Ltd. to evaluate the recoverable amount of the asset group related to the goodwill formed by the acquisition of CTI Nantong, and issued the ZLPZ [2025] No. 83 Asset Assessment Report. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of CTI Nantong included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 28.0878 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of CTI Nantong, was CNY 30.3982 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| CTI Nantong | The forecast period is from 2025 to 2029, followed by a stable period | 35.03% | 28.11% | 13.67% |

(15) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Shaanxi Huabang at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Shaanxi Huabang included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 35.4558 million. Upon evaluation with revenue approach, the recoverable amount of the asset group of Shaanxi Huabang on December 31, 2024, the assessment base date of Shaanxi Huabang, was CNY 35.9909 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Shaanxi Huabang | The forecast period is from 2025 to 2029, followed by a stable period | 0.76% | 51.76% | 13.41% |

(16) For the purpose of goodwill impairment test, the Company employed Beijing Zhonglin Assets Appraisal Co., Ltd. to evaluate the recoverable amount of the asset group related to the goodwill formed by the acquisition of VESP, and issued the ZLPZ [2025] No. 87 Asset Assessment Report. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of CTI VESP included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 224.3400 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of CTI VESP, was CNY 232.4302 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| CTI VESP | The forecast period is from 2025 to 2029, followed by a stable period | 26.37% | 17.19% | 11.40% |

(17) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Xipai Technology at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Xipai Technology included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 9.3134 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Xipai Technology, was CNY 14.8514 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Xipai Technology | The forecast period is from 2025 to 2029, followed by a stable period | 21.82% | 8.82% | 13.60% |

(18) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Guangzhou Vectoring Pharmatech at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Guangzhou Vectoring Pharmatech included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 24.8744 million. The recoverable amount of the asset group on December 31, 2024, the assessment base date of Guangzhou Vectoring

Pharmatech, was CNY 31.9827 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Guangzhou Vectoring Pharmatech | The forecast period is from 2025 to 2029, followed by a stable period | 21.45% | 54.04% | 10.59% |

(19) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of CTI NEWAY at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of CTI Neway included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 29.9819 million. After with revenue approach to evaluate, the recoverable amount of the asset group on December 31, 2024, the assessment base date of CTI Neway, was CNY 33.5247 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| CTI Neway | The forecast period is from 2025 to 2029, followed by a stable period | 18.45% | 46.84% | 11.53% |

(20) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of CTI Fengxue at the end of 2024. Upon the determination of evaluation of the

recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of CTI Fengxue included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 52.5581 million. After evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of CTI Fengxue's assessment, was CNY 60.1721 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| CTI Fengxue | The forecast period is from 2025 to 2029, followed by a stable period | 5.99% | 64.07% | 12.24% |

(21) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Hong Kong VIRCON at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Hong Kong VIRCON included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 246.4203 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Hong Kong VIRCON, was CNY 246.6080 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| VIRCON LIMITED | The forecast period is from 2025 to 2029, followed by a stable period | 9.51% | 50.57% | 12.22% |

(22) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Taiwan GRAND VANTAGE at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Taiwan GRAND VANTAGE included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 10.3022 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Taiwan GRAND VANTAGE, was CNY 11.3549 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Taiwan GRAND VANTAGE | The forecast period is from 2025 to 2029, followed by a stable period | 10.12% | 69.78% | 13.60% |

(23) For the purpose of goodwill impairment test, the Company evaluate the recoverable amount of the asset group related to the goodwill formed by the acquisition of CTI CI&A at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of CTI CI&A included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including the overall goodwill was CNY 8.4420 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of CTI CI&A, was CNY 13.6849 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| CTI CI&A | The forecast period is from 2025 to 2029, followed by a stable period | -6.01% | 35.47% | 13.60% |

(24) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Hefei Zhongxin at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Hefei Zhongxin included the asset groups consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 6.3563 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Hefei Zhongxin, was CNY 7.3545 million; and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Hefei Zhongxin | The forecast period is from 2025 to 2029, followed by a stable period | 19.63% | 40.16% | 15.20% |

(25) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of NAIAS at the end of 2024. Upon the determination of evaluation of the recoverable

amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of NAIAS included the asset group consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 154.0658 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of NAIAS, was CNY 158.6801 million, and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| NAIAS | The forecast period is from 2025 to 2029, followed by a stable period | 14.16% | 46.60% | 13.10% |

(26) For the purpose of goodwill impairment test, the Company evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of Greater Asia Pacific at the end of 2024. Upon the determination of evaluation of the recoverable amount, the Company allocated the goodwill to the asset group from the acquisition date, and then compare the book value of the asset group (including goodwill) with its recoverable amount, to determine whether the asset group (including goodwill) was impaired.

As of December 31, 2024, the scope of asset group related to the goodwill formed by the acquisition of Greater Asia Pacific included the asset groups consisting of operating tangible assets and intangible assets of all main businesses (excluding non-operating assets and liabilities), and the book value of the asset group including overall goodwill was CNY 102.0769 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2024, the assessment base date of Greater Asia Pacific, was CNY 104.2920 million; and the consolidated goodwill attributable to the parent company has not been impaired.

The approach, key assumptions and basis for calculating the recoverable amount of the above asset groups are as follows:

1) Present value of estimated future cash flows

The Company's management forecast the present values of future cash flows on the basis of the forecast of future cash flows; the key assumptions used in forecasting future cash flows and their basis are as follows:

| Items | Forecast period | Average revenue growth rate during the forecast period | Average gross profit margin during the forecast period | (Pre-tax) Discount rate |
|---|---|---|---|---|
| Greater Asia Pacific | The forecast period is from 2025 to 2029, followed by a stable period | 5.57% | 54.87% | 12.00% |

## 28. Long-term unamortized expenses

Unit: CNY

| Items | Opening balance | Increase in the current period | Amortization amount for the current period | Other reduction amounts | Closing balance |
|---|---|---|---|---|---|
| Office decoration | 122,880,373.04 | 35,543,874.92 | 38,008,710.12 | 1,693,594.58 | 118,721,943.26 |
| Simple facilities | 143,191.69 | 40,776.70 | 43,407.40 | | 140,560.99 |
| Others | 12,060,211.65 | 1,049,451.76 | 4,360,772.36 | 118,684.26 | 8,630,206.79 |
| Total | 135,083,776.38 | 36,634,103.38 | 42,412,889.88 | 1,812,278.84 | 127,492,711.04 |

## 29. Deferred tax assets/deferred tax liabilities

### (1) Unoffset deferred income tax assets

Unit: CNY

| Items | Closing balance | | Opening balance | |
|---|---|---|---|---|
| | Deductible temporary differences | Deferred tax assets | Deductible temporary differences | Deferred tax assets |
| Provisions for assets impairment | 329,002,006.40 | 46,414,537.01 | 228,143,767.85 | 33,941,593.00 |
| Deductible losses | 585,608,239.16 | 79,813,831.40 | 402,061,731.00 | 61,256,048.18 |
| Equity-settled share-based payment | | | | |
| Deferred income | 72,979,290.97 | 14,088,351.37 | 79,086,470.69 | 16,002,346.09 |
| Impact from accounting estimate of fixed assets | 20,953,543.07 | 7,123,388.29 | 3,964,131.04 | 934,636.17 |
| Changes in fair value | 484,000.00 | 72,600.00 | 484,000.00 | 72,600.00 |
| Accrued liabilities | 30,000.00 | 1,500.00 | 30,000.00 | 1,500.00 |
| Lease liabilities | 423,776,988.95 | 60,663,755.73 | 391,858,817.93 | 59,813,465.64 |
| Others | 1,524,661.65 | 304,932.33 | 758,506.05 | 151,701.19 |
| Total | 1,434,358,730.20 | 208,482,896.13 | 1,106,387,424.56 | 172,173,890.27 |

### (2) Unoffset deferred income tax liabilities

Unit: CNY

| Items | Closing balance | | Opening balance | |
|---|---|---|---|---|
| | Taxable temporary differences | Deferred tax liabilities | Taxable temporary differences | Deferred tax liabilities |
| Impact from accounting estimate of fixed assets | 4,080,390.54 | 624,868.37 | 2,361,059.48 | 417,441.95 |
| Lump-sum pre-tax deduction for fixed assets | 720,929,140.87 | 109,165,608.30 | 553,412,499.95 | 83,362,176.90 |

| | | | | |
|---|---|---|---|---|
| Changes in fair value | 1,382,233.03 | 207,334.95 | 18,732,457.17 | 2,809,868.58 |
| Right-of-use assets | 399,317,351.50 | 58,410,198.84 | 377,120,475.36 | 57,809,789.50 |
| Others | 185,787.15 | 37,157.43 | 192,871.90 | 38,574.39 |
| Total | 1,125,894,903.09 | 168,445,167.89 | 951,819,363.86 | 144,437,851.32 |

### (3) Deferred income tax assets or liabilities presented with offset net amount

Unit: CNY

| Items | Closing mutual-offset amount of deferred income tax assets and liabilities | Closing balance of offset deferred income tax assets or liabilities | Opening mutual-offset amount of deferred income tax assets and liabilities | Opening balance of offset deferred income tax assets or liabilities |
|---|---|---|---|---|
| Deferred tax assets | | 208,482,896.13 | | 172,173,890.27 |
| Deferred tax liabilities | | 168,445,167.89 | | 144,437,851.32 |

### (4) Details of unrecognized deferred income tax assets

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Deductible temporary differences | 14,805,189.66 | 5,015,934.35 |
| Deductible losses | 199,733,582.67 | 236,618,052.30 |
| Deferred income | 605,966.06 | 269,170.00 |
| Total | 215,144,738.39 | 241,903,156.65 |

### (5) Deductible losses of unrecognized deferred income tax assets will be due in the following years

Unit: CNY

| Year | Closing amount | Opening amount | Remark |
|---|---|---|---|
| 2024 | | 4,524,269.95 | |
| 2025 | 2,835,147.87 | 18,957,211.72 | |
| 2026 | 155,036.22 | 36,794,889.24 | |
| 2027 | 658,617.53 | 63,224,226.65 | |
| 2028 | 7,358,370.12 | 27,445,647.53 | |
| 2029 | 31,793,226.46 | 4,418,665.10 | |
| 2030 | 1,700,515.51 | 1,275,515.74 | |
| 2031 | 14,520,634.66 | 24,093,640.66 | |
| 2032 | 42,866,728.29 | 22,927,815.05 | |
| 2033 | 29,763,898.58 | 18,318,947.94 | |
| 2034 | 47,518,775.50 | | |
| No deadline | 20,562,631.93 | 14,637,222.72 | |
| Total | 199,733,582.67 | 236,618,052.30 | |

## 30. Other non-current assets

Unit: CNY

| Items | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for impairment | Book value | Book balance | Provision for impairment | Book value |
| Investment deposit | 4,607,601.29 | | 4,607,601.29 | 21,164,400.00 | | 21,164,400.00 |
| Prepayment for equipment and | 69,953,523.95 | | 69,953,523.95 | 23,847,485.97 | | 23,847,485.97 |

| | | | | | | |
|---|---|---|---|---|---|---|
| projects | | | | | | |
| Government subsidies for equipment | 1,833,449.39 | | 1,833,449.39 | 3,447,285.59 | | 3,447,285.59 |
| Shanghai public rental housing project | 69,221,512.86 | | 69,221,512.86 | 69,221,512.86 | | 69,221,512.86 |
| Investment funds | | | | 28,999,040.00 | | 28,999,040.00 |
| Others | 1,662,733.00 | | 1,662,733.00 | 1,662,733.00 | | 1,662,733.00 |
| Total | 147,278,820.49 | | 147,278,820.49 | 148,342,457.42 | | 148,342,457.42 |

## 31. Assets with restricted ownership or use rights

Unit: CNY

| Items | Closing | | | | Opening | | | |
|---|---|---|---|---|---|---|---|---|
| | Book balance | Book value | Restriction type | Restriction situation | Book balance | Book value | Restriction type | Restriction situation |
| Cash and cash equivalents | 32,093,783.42 | 32,093,783.42 | Restricted guarantees and judicial freezes | Bid bonds, performance bonds, advance payment guarantees, judicial freezes, and others | 25,705,810.84 | 25,705,810.84 | Restricted guarantees and judicial freezes | Bid bond, performance bond, advance payment bond, quality bond, others |
| Total | 32,093,783.42 | 32,093,783.42 | | | 25,705,810.84 | 25,705,810.84 | | |

## 32. Short-term loans

### (1) Classification of short-term loans

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Guaranteed loan | | 2,590,000.00 |
| Credit loan | 2,000,000.00 | 5,000,000.00 |
| Undue interests payable | 2,016.65 | 14,012.07 |
| Total | 2,002,016.65 | 7,604,012.07 |

## 33. Trading financial liabilities

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Including: | | |
| Others | | |
| Financial liabilities designated to measure at fair value through profit or loss. | 981,621.78 | 1,900,000.00 |
| Including: | | |
| Total | 981,621.78 | 1,900,000.00 |

Other Notes:

## 34. Derivative financial liabilities: None

## 35. Notes payable

Unit: CNY

| Type | Closing balance | Opening balance |
|---|---|---|
| Banker's acceptance notes | 3,690,516.92 | 51,023.62 |
| Total | 3,690,516.92 | 51,023.62 |

The total amount of notes payable due and unpaid at the end of this period is CNY 0.00, and the cause for nonpayment is zero.

## 36. Accounts payable

## (1) Presentation of accounts payable

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Payment for materials | 130,511,616.13 | 158,251,774.75 |
| Payment for projects | 48,638,351.80 | 135,357,327.13 |
| Payment for equipment | 135,692,789.10 | 149,041,665.02 |
| Service fees | 260,149,353.22 | 236,219,644.27 |
| Others | 243,426,209.77 | 204,526,079.93 |
| Total | 818,418,320.02 | 883,396,491.10 |

## 37. Other accounts payable

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Dividends payable | 631,042.91 | 31,042.91 |
| Other payables | 170,162,299.17 | 179,489,210.71 |
| Total | 170,793,342.08 | 179,520,253.62 |

**(1) Interests payable:** None

**(2) Dividends payable**

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Common stock dividends | 631,042.91 | 31,042.91 |
| Total | 631,042.91 | 31,042.91 |

Other descriptions, including those for major dividends payable unpaid for more than one year and the causes disclosable for non-payment:

**(3) Other payables**

**1) Other payables presented by the nature of payment**

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Deposits and guarantees | 10,938,953.35 | 21,300,973.61 |

| | | |
|---|---|---|
| Suspense receipts | 34,213,369.58 | 37,351,786.45 |
| Equity investments payable | 30,816,490.13 | 15,953,670.10 |
| Others | 94,193,486.11 | 104,882,780.55 |
| Total | 170,162,299.17 | 179,489,210.71 |

## 38. Contract liabilities

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Prepaid service fees | 124,962,045.36 | 100,783,735.43 |
| Advances from clients | 2,086,166.29 | 18,401.86 |
| Total | 127,048,211.65 | 100,802,137.29 |

## 39. Salaries payable

### (1) Presentation of salaries payable

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|---|---|---|---|
| I. Short-term salaries | 466,282,940.98 | 2,384,076,017.02 | 2,372,475,753.00 | 477,883,205.00 |
| II. Post-employment benefits--defined contribution plan | 4,590,414.95 | 148,797,191.40 | 147,694,619.34 | 5,692,987.01 |
| 3. Dismissal benefits | 1,255,448.51 | 8,363,231.92 | 8,617,555.32 | 1,001,125.11 |
| Total | 472,128,804.44 | 2,541,236,440.34 | 2,528,787,927.66 | 484,577,317.12 |

### (2) Presentation of short-term payroll

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|---|---|---|---|
| 1. Salaries, bonuses, allowances and subsidies | 455,556,041.48 | 2,177,899,455.57 | 2,165,072,608.48 | 468,382,888.57 |
| 2. Employee welfare fees | 957,080.43 | 39,513,284.45 | 39,697,162.70 | 773,202.18 |
| 3. Social insurance premium | 3,209,359.13 | 75,098,159.51 | 75,034,336.99 | 3,273,181.65 |
| Including: Medical insurance premium | 1,910,629.88 | 62,267,044.13 | 62,282,047.52 | 1,895,626.49 |
| Work-related injury insurance premium | 46,323.56 | 2,580,180.98 | 2,569,125.28 | 57,379.26 |
| Maternity insurance premium | 5,255.21 | 2,485,797.00 | 2,490,815.30 | 236.91 |
| Others | 1,247,150.48 | 7,765,137.40 | 7,692,348.89 | 1,319,938.99 |
| 4. Housing provident fund | 3,470,894.45 | 76,141,614.62 | 76,800,163.32 | 2,812,345.75 |
| 5. Trade union funds and employee | 3,089,565.49 | 15,423,502.87 | 15,871,481.51 | 2,641,586.85 |

| | | | | |
|---|---|---|---|---|
| education funds | | | | |
| Total | 466,282,940.98 | 2,384,076,017.02 | 2,372,475,753.00 | 477,883,205.00 |

### (3) Presentation of defined contribution plan

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|---|---|---|---|
| 1. Basic endowment insurance | 4,504,036.70 | 144,433,322.44 | 143,340,473.43 | 5,596,885.71 |
| 2. Unemployment insurance premiums | 86,378.25 | 4,363,868.96 | 4,354,145.91 | 96,101.30 |
| Total | 4,590,414.95 | 148,797,191.40 | 147,694,619.34 | 5,692,987.01 |

### 40. Taxes payable

| Items | Closing balance | Opening balance |
|---|---|---|
| Value-added tax (“VAT”) | 25,064,379.54 | 26,807,204.24 |
| Corporate income tax | 37,314,935.61 | 37,830,587.40 |
| Personal income tax | 6,691,356.23 | 5,410,201.32 |
| Urban maintenance and construction tax | 1,001,629.75 | 1,209,668.31 |
| Property tax | 5,667,128.02 | 5,116,988.16 |
| Educational surcharge | 456,196.31 | 550,235.63 |
| Stamp duty | 1,000,196.60 | 786,060.53 |
| Local educational surcharge | 303,673.49 | 366,735.51 |
| Land use tax | 293,072.39 | 152,279.08 |
| Others | 837,223.59 | 173,512.09 |
| Total | 78,629,791.53 | 78,403,472.27 |

Unit: CNY

Other Notes:

### 41. Held-for-sale liabilities: None

### 42. Non-current liabilities due within one year

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Long-term loans due within one year | 5,029,213.08 | 3,687,460.57 |
| Long-term payables due within one year | | 4,079,352.00 |
| Lease debts due within one year | 109,616,939.86 | 100,038,760.21 |
| Total | 114,646,152.94 | 107,805,572.78 |

Other Notes:

### 43. Other current liabilities

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| VAT output taxes to be written off (taxes in contract liabilities) | 3,371,893.02 | 2,557,798.16 |
| Total | 3,371,893.02 | 2,557,798.16 |

Unit: CNY

| Bond name | Face value | Coupon rate | Issuance date | Bond term | Issuance amount | Opening balance | Issued in the current period | Interest accrued at face value | Amortization of premium/ discount | Repaid in the current period | | Closing balance | Whether to breach the contract |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |

Other Notes:

## 44. Long-term loans

### (1) Classification of long-term loans

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Mortgage loan | 4,606,597.84 | 6,633,465.36 |
| Guaranteed loan | 10,206,431.11 | 4,347,776.54 |
| Long-term loans due within one year | -5,029,213.08 | -3,687,460.57 |
| Total | 9,783,815.87 | 7,293,781.33 |

## 45. Bonds payable: None

## 46. Lease liabilities

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Within 1 year | 115,217,710.72 | 112,697,910.59 |
| 1-2 years | 88,920,513.85 | 100,199,243.95 |
| 2-3 years | 65,691,564.94 | 70,174,933.43 |
| 3-4 years | 38,064,745.39 | 42,873,271.26 |
| 4-5 years | 20,073,351.67 | 22,224,611.60 |
| Over 5 years | 37,794,848.33 | 48,110,305.32 |
| Unrecognized financing charges | -25,422,060.37 | -36,233,964.47 |
| Lease debts due within one year | -109,616,939.86 | -100,038,760.21 |
| Total | 230,723,734.67 | 260,007,551.47 |

Other Notes:

Interest expense on lease liabilities recognized in the current period amounted to CNY 14,411,238.18.

## 47. Long-term payables

None.

## 48. Long-term salaries payable

None.

## 49. Estimated liabilities

Unit: CNY

| Items | Closing balance | Opening balance | Causes |
|---|---|---|---|
| Others | 30,000.00 | 30,000.00 | |
| Estimated property taxes and late fees | 5,023,239.99 | 4,623,507.93 | CTI Group Beijing Co., Ltd. (CTI Beijing) has not yet completed the property ownership certificate and withheld corresponding property tax and late payment fees. |
| Total | 5,053,239.99 | 4,653,507.93 | |

Other descriptions, including major assumptions and estimation instructions related to major estimated liabilities:

## 50. Deferred income

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance | Causes |
|---|---|---|---|---|---|
| Asset-related government subsidies | 73,496,550.10 | 9,449,844.17 | 15,556,083.85 | 67,390,310.42 | See Table 1 for details |
| Revenue-related government subsidies | 5,859,090.59 | 1,423,600.00 | 1,087,743.98 | 6,194,946.61 | See Table 1 for details |
| Total | 79,355,640.69 | 10,873,444.17 | 16,643,827.83 | 73,585,257.03 | |

Unit: CNY

Other Notes:

1. Deferred income related to government subsidies

| Liability items | Opening balance | New subsidy amount for this period | Amount of non-operating revenue included in current period | Amount of other revenue included in current period | Amount of offset costs and expenses for the current period (Note 1) | Add: Other changes (Note 2) | Closing balance | Asset related/revenue related |
|---|---|---|---|---|---|---|---|---|
| 2012 Shenzhen public service platform for testing of electronic information materials: CNY 4.5 million | 29,914.57 | | | 29,914.57 | | | | Assets-related |
| Technology Shares South China Testing Base Project: CNY 15.78 million | 13,601,417.80 | | | 353,283.60 | | | 13,248,134.20 | Assets-related |
| Shenzhen Municipal Development and Reform Commission's approval for the funding | 1,603,155.50 | | | 399,038.32 | | | 1,204,117.18 | Assets-related |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| application report for Shenzhen public service platform project of home service robot detection technology: CNY 4 million | | | | | | | | |
| Development of Test Method for the Separation Effect of Mechanical Pollutant Purification Systems | 247,933.82 | | | 180,584.10 | | | 67,349.72 | Assets-related |
| Research on the selection and determination methods of core elements of technical standards | 124,701.63 | | | | | | 124,701.63 | Revenue-related |
| Special funds for agricultural development in 2017 | 1,343,021.79 | | | 15,485.70 | | | 1,327,536.09 | Assets-related |
| R&D and application of integrated inspection and testing service platform for emerging industries--Topic 5 (3011902) | 45,827.09 | | | 8,686.46 | | | 37,140.63 | Revenue-related |
| Research on key technical standards such as emergency stop devices and two-hand operating devices in 2017 | 982.91 | | | 664.75 | | | 318.16 | Revenue-related |
| R&D and application of integrated inspection and testing service platform for emerging industries--Topic 1 (3011901) | 37,369.26 | | | | | | 37,369.26 | Revenue-related |
| 2020 Bao’an District supporting awards for S&T projects (research on key technical standards such as emergency stop devices and two-hand operating devices) | 170,000.00 | | | | | | 170,000.00 | Revenue-related |
| 2020 Bao’an District supporting awards for S&T project (R&D and applications of integrated inspection and testing service platform for emerging industries) | 352,999.67 | | | 129,730.26 | | | 223,269.41 | Revenue-related |
| Supporting funding for the construction of Bao'an District Postdoctoral | 91,666.83 | | | 91,666.83 | | | | Assets-related |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Workstation (Innovation Practice Base) | | | | | | | | |
| 2021 Bao'an District supporting awards for S&T projects (research on key technical standards such as emergency stop devices and two-hand operating devices) | 10,000.00 | | | | | | 10,000.00 | Revenue-related |
| 2021 Bao'an District supporting awards for S&T project (R&D and applications of integrated inspection and testing service platform for emerging industries) | 288,963.00 | | | | | | 288,963.00 | Revenue-related |
| The first batch of funding projects of the 2021 Fashion Industry High-Quality Development Support Plan | 95,870.24 | | | 95,870.24 | | | 0.00 | Assets-related |
| Daily management expenses of the site/station construction unit (combining Phases 1/2 in 2021) | 238,700.72 | | | | | | 238,700.72 | Revenue-related |
| The first batch of funding projects of Guchengbao's 2022 new generation information-technology industry support plan | 97,452.39 | | | 97,452.39 | | | | Assets-related |
| Special funds for agricultural development in 2021 | 1,451,428.33 | | | 291,504.84 | | | 1,159,923.49 | Revenue-related |
| Special funds for agricultural development in 2022 | 253,009.07 | | | 97,939.08 | | | 155,069.99 | Assets-related |
| Projects funded by the 2023 green and low carbon support plan | 865,298.68 | | | 375,000.00 | | | 490,298.68 | Assets-related |
| Special subsidies for technological transformation | 41,724,584.87 | | | 9,810,007.56 | | | 31,914,577.31 | Assets-related |
| 2016 municipal special funds for development of service industry in the hi-tech zone: 2.407 million. | 130,486.88 | | | 130,486.88 | | | | Assets-related |
| The 6th batch of industrial support funds in 2020: CNY 284,100 | 42,590.41 | | | 42,590.41 | | | | Assets-related |
| 2021 industrial support funds | 49,100.63 | | | 24,589.08 | | | 24,511.55 | Assets-related |
| 2022 hi-tech zone 11th batch of | 56,768.48 | | | 17,537.19 | | | 39,231.29 | Assets-related |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| policy funds for promoting regional economic stability and quality improvement | | | | | | | | |
| 2023 Ningbo hi-tech zone 9th batch of policy funds for promoting regional economic stability and quality improvement | 235,176.65 | | | 47,087.16 | | | 188,089.49 | Assets-related |
| Investment subsidies for circular economy projects | 131,800.28 | | | 118,260.61 | | | 13,539.67 | Assets-related |
| Special funds for foreign trade and economic development | 4,974,636.44 | 1,176,000.00 | | 1,246,040.30 | | | 4,904,596.14 | Assets-related |
| Start-up subsidies | 600,000.00 | | | 100,000.00 | | | 500,000.00 | Revenue-related |
| 2019 second-half-year Nanjing certification declaration subsidies for headquarters enterprises and headquarters building: CNY 1 million | 633,333.33 | | | 100,000.00 | | | 533,333.33 | Revenue-related |
| Government subsidies for Nanjing Economic and Technological Development Zone for promoting the development of inspection and testing/ certification and accreditation industry: CNY 2.024 million | 1,298,733.33 | | | 202,400.00 | | | 1,096,333.33 | Revenue-related |
| Enterprise support, S&T reward funds | 3,178,506.29 | | | 84,013.40 | | | 3,094,492.89 | Assets-related |
| Right to use government equipment | 3,447,285.59 | | | 1,613,836.20 | | | 1,833,449.39 | Assets-related |
| Project funds for Kunshan mass entrepreneurship and innovation talent team plan | 500,000.00 | | | 166,666.68 | | | 333,333.32 | Revenue-related |
| 2015 Project fund for special fund support for Suzhou municipal industrial economy upgrading | 18,455.44 | | | 7,246.31 | | | 11,209.13 | Assets-related |
| 2015 municipal guidance funds for service industry development | 1,250,000.04 | | | 36,585.36 | | | 1,213,414.68 | Assets-related |
| 2018 policy awards for high-quality development of S&T innovation in Xiangcheng District (R&D | 23,250.54 | | | 23,250.54 | | | | Assets-related |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| institution construction/ technology contract awards/ innovation-supporting carrier construction, etc.) | | | | | | | | |
| 2019 Suzhou 9th batch of S&T development plan (policy subsidies for S&T innovation) projects | 5,166.87 | | | 5,166.87 | | | | Assets-related |
| Lump-sum funding for construction of postdoctoral site | 106,051.32 | 500,000.00 | | 76,540.82 | | | 529,510.50 | Revenue-related |
| Matching funding for daily operating expenses of postdoctoral workstations (innovation practice bases) | | 800,000.00 | | | | | 800,000.00 | Revenue-related |
| Shenzhen 2023 Special Program for Innovation Platform Construction Projects in High-tech Zones | | 3,960,000.00 | | 605,273.04 | | | 3,354,726.96 | Assets-related |
| 7th Batch of Economic Stabilization and Quality Improvement Funds in 2024 | | 123,600.00 | | 11,550.17 | | | 112,049.83 | Revenue-related |
| 2024 Jiangsu Province Special Funds for Building a Strong Manufacturing Province | | 3,000,000.00 | | | | | 3,000,000.00 | Assets-related |
| 2024 Emerging Industries Support Program for Industrial Service System Projects | | 700,000.00 | | | | | 700,000.00 | Assets-related |
| 2014-2020 Competitiveness and Innovation Program Funds for Small, Medium, and Micro-sized Enterprises (for Newly M&A Companies) | | 613,844.17 | | 7,878.11 | | | 605,966.06 | Assets-related |
| Total | 79,355,640.69 | 10,873,444.17 | | 16,643,827.83 | | | 73,585,257.03 | |

**Note 1: Descriptions of the projects with an increase of more than CNY 1 million at the opening of the period and current period:**

(1) In accordance with the "Circular on Issuing 2014 Central Government Budget Investment Plan for Industrial Transformation and Upgrading Projects (the First Batch of Industrial Revitalization and Technological Transformation)" jointly issued by Shenzhen Municipal Development and Reform Commission and Shenzhen Municipal Economic, Trade and Information Technology Commission (S.F.G. [2014] No. 859), Centre Testing International Group Co., Ltd. (CTI) received grants of CNY

11,000,000.00 and CNY 4,780,000.00 from Shenzhen Municipal Finance Commission on December 23, 2014 and November 16, 2016. This grant was used for the civil engineering works of the South China Testing Base and was amortized into current profit or loss in installments upon the commencement of asset use. In the current period, CNY 353,283.60 was transferred to other incomes.

(2) In accordance with the document of Shenzhen Municipal Development and Reform Commission (S.F.G.W. [2015] No. 96), Shenzhen Municipal Development and Reform Commission’s reply on the report for fund application for the Project of Public Service Platform of Shenzhen Home Service Robot Detection Technology; the document from Shenzhen Municipal Development and Reform Committee, Shenzhen Municipal Economic, Trade and Information Technology Commission, Shenzhen Municipal S&T Innovation Commission, Shenzhen Municipal Finance Commission (S.F.G. [2015] No. 86), the circular of Shenzhen Municipal Development and Reform Commission, Shenzhen Municipal Economic and Trade and Information Technology Commission, Shenzhen Municipal S&T Innovation Commission and Shenzhen Municipal Finance Commission on issuing a support plan for Shenzhen’s strategic emerging industries and future industry development special funds for the first half of 2015 (the first, second and third batches), Centre Testing International Group Co., Ltd. (Centre Testing International Group) received a grant of CNY 4,000,000.00 on October 29, 2015 from the Shenzhen Municipal Finance Bureau, and received a grant of CNY 2,000,000.00 on October 31, 2016 from Shenzhen Bao'an District Finance Bureau. These grants were earmarked for the purpose of procuring instruments and equipment, improving existing process equipment and testing conditions, purchasing necessary technologies and software, etc. They were carried forward to current profit and loss in installments when the assets began to be used, with CNY 399,038.32 included into other revenue in the current period.

(3) In accordance with Shenzhen Municipal Market and Quality Supervision and Administration Commission’s “Circular of Shenzhen Municipal Market and Quality Supervision and Administration Commission on Announcement of 2017 Funding Plan of Agricultural Development Special Fund for Agricultural Product Quality and Safety Testing Project” (S.S.Z.T.G. [2018] No. 55), Centre Testing International Group Co., Ltd. (Centre Testing International Group) received a special fund subsidiary of CNY 2,000,000.00 for agricultural development in 2017 allocated by Shenzhen Municipal Market and Quality Supervision and Administration Commission on November 30, 2018. This subsidy was used to purchase equipment and transferred to the current profit and loss in installments when the assets begin to be used, with CNY 15,485.70 carried forward to other revenue for this period.

(4) In accordance with relevant provisions of “Management Measures of Shenzhen Municipal Agricultural Development Special Fund” (S.J.M.X.X.G. [2018] No. 2) and Operating Procedures for Funding of Shenzhen Agricultural Development Special Fund (S.S.J.G. [2019] No. 8), upon deliberation and approval at the Party Group Meeting of Shenzhen Administration for Market Regulation, Centre Testing International Group Co., Ltd. (Centre Testing International Group) received a special fund subsidy of

CNY 2,414,000.00 for foreign trade and economic development on September 2022, with CNY 291,504.84 carried forward to other revenue for this period.

(5) In accordance with the “Circular on Forwarding and Issuing 2020 (First Batch) Central Government Budget Investment Plan for Special Technological Transformation Projects” from the Economic Development Department of Qingdao Hi-tech Industrial Development Zone Management Committee, a subsidy fund of CNY 49,050,000.00 allocated by the Qingdao Hi-tech Industrial Development Zone Management Committee was received on September 14, 2020. This amount was used for the special project of technological transformation of the base project. In the current period, CNY 9,810,007.56 was transferred to other incomes.

(6) In accordance with the *Notice of the Guangdong Provincial Department of Commerce on Issuing the Application Guidelines for the 2024 Central Special Funds for Foreign Trade and Economic Cooperation Development (Service Trade Development Matters)* (Y.S.W.F.H [2023] No. 274), the *Notice of the Guangdong Provincial Department of Commerce on Issuing the Project Plan for the 2024 Central Special Funds for Foreign Trade and Economic Cooperation Development (Service Trade Development Matters)* (Y.S.W.F.H [2024] No. 135), and the *Notice of the Guangzhou Municipal Bureau of Commerce on Issuing the Application Guidelines for the Inclusion of Projects in the Public Service System for Service Trade Development Matters under the 2024 Central Special Funds for Foreign Trade and Economic Cooperation Development*, Guangzhou CTI Testing Certification Technology Co., Ltd. received a subsidy of CNY 1,176,000.00 from the Liquidation Center of Guangzhou Bank Co., Ltd. on September 13, 2024. This subsidy was used for special funds for foreign trade and economic cooperation development and was amortized into current profit or loss in installments upon the commencement of asset use. In the current period, CNY 1,246,040.30 was transferred to other incomes.

(7) In accordance with the notification from Nanjing Economic and Technological Development Zone Management Committee regarding the issuance of the “Support Measures for Promoting the Development of Inspection, Testing, Certification, and Accreditation Industries in Nanjing Economic and Technological Development Zone” (N.K.W.K.Z. [2015] No. 183), on June 22, 2020, CTI Testing Certification Group received a government subsidy of CNY 2,024,000.00 from Nanjing Economic and Technological Development Zone Management Committee, with CNY 202,400.00 included into other revenue for current period.

(8) In accordance with the documents from Kunshan Hi-tech Zone Investment Promotion and Service Management Bureau (G.S.Q. [2012] No. 179, and the minutes of the 2nd Joint Meeting on Science and Technology Innovation of the Hi-tech Zone), Suzhou CTI Biotechnology received subsidies of CNY 1 million, CNY 1 million, and CNY 1.8 million, respectively for the construction of Kunshan GLP project base from Kunshan Hi-tech Zone Investment Promotion and Service Management Bureau in 2015, 2016, and 2017. These subsidies were used for the construction of Kunshan GLP base project and carried forward to current profits and losses when the assets began to be used, with CNY 84,013.40 carried forward to other revenues for this period.

(9) In 2010, CTI Testing Certification Group reached an investment intention agreement with Kunshan Hi-tech Industrial Park Management Committee, to invest in Suzhou Biotechnology Company (Pre-clinical CRO Research Base) in Kunshan Hi-tech Zone. A supplementary agreement was signed on June 5, 2012. Kunshan Hi-tech Zone committed that its subsidiary Jiangsu Kunshan Hi-tech Industrial Investment Development Co., Ltd. would contribute a cumulative investment of CNY 50 million in accordance with the prescribed amount within 4 years from 2012 to purchase the instruments and equipment listed in the platform's procurement list. Later, Jiangsu Kunshan Hi-tech Industrial Investment Development Co., Ltd. signed an *Entrusted Operation and Management Agreement* with Suzhou Biotech, stipulating that it would gradually invest no less than CNY 50 million in equipment for Suzhou Biotech to use for free, with a use period from January 10, 2013 to 2033. January 9th, 20 years in total. The ownership of the equipment belongs to Kunshan Hi-tech Industrial Investment and Development Co., Ltd. Suzhou Biotechnology received successively equipment investments totaling CNY 49,775,842.00 between 2013 and 2016, with CNY 1,613,836.20 carried forward to other revenues for this period.

(10) In accordance with the document of Suzhou Xiangcheng District Development and Reform Bureau and Suzhou Xiangcheng District Finance Bureau, "Circular on Allocation of Municipal Service Industry Development Guidance Fund for Suzhou CTI 2015" (X.F.G.F (2017) No. 1, X.C.Q. (2017) No.7), the subsidiary Suzhou CTI received a special fund of CNY 1,500,000.00 from Weitang Town Financial Office of Xiangcheng District on March 17, 2017. This subsidy was used for the construction of the enterprise laboratory base and was carried forward to current profits and losses from the date of depreciation of the assets, with CNY 36,585.36 carried forward to other revenue for this period.

(11) The *Administrative Measures for the Management of Shenzhen S&T Plan Projects* (S.K.J.C.X.G [2019] No. 1) and the *Administrative Measures for the Special Plan for the Development of Shenzhen High-tech Industrial Parks* (S.K.J.C.X.G [2022] No. 3) were followed. Centre Testing International Group Co., Ltd. received allocations of CNY 2,640,000.00 and CNY 1,320,000.00 from the Science and Technology Innovation Bureau of Bao'an District, Shenzhen, on June 28, 2024, and August 30, 2024, respectively. This grant was used for the Shenzhen 2023 Special Program for Innovation Platform Construction Projects in High-tech Zones and was amortized into current profit or loss in installments upon the commencement of asset use. In the current period, CNY 605,273.04 was transferred to other incomes.

(12) According to the *Notice of the Department of Finance of Jiangsu Province and Department of Industry and Information Technology on Issuing the Budget for the First Batch of the 2024 Jiangsu Province Special Funds for Building a Strong Manufacturing Province* (S.C.G.M [2024] No. 72), Suzhou CTI Testing Technology Co., Ltd. received an allocation of CNY 3,000,000.00 from the Suzhou Ganjiang Road Sub-branch of China Merchants Bank, Suzhou Branch, on September 14, 2024. This amount was used for the Suzhou CTI One-stop Comprehensive Inspection and Testing Public Service Platform Project.

## 51. Other non-current liabilities

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|

Other Notes:

## 52. Share capital

Unit: CNY

| | Opening balance | Increases or decreases (+, -) this time | | | | | Closing balance |
|---|---|---|---|---|---|---|---|
| | | New share issuance | Share dividend | Conversion of provident fund shares | Others | Subtotal | |
| Total number of shares | 1,682,828,214.00 | | | | | | 1,682,828,214.00 |

Other Notes:

## 53. Other equity instruments

**(1) Basic information on other financial instruments outstanding at the end of the period, such as preferred shares and perpetual bonds**

**(2) Table of changes in financial instruments outstanding at the end of the period, such as preferred shares and perpetual bonds**

Unit: CNY

| Financial instruments outstanding | Opening | | Increase in the current period | | Decrease in the current period | | Closing | |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Book value | Quantity | Book value | Quantity | Book value | Quantity | Book value |

Explanation of changes in other equity instruments during the current period, reasons for changes, and basis for related accounting treatments:

Other Notes:

## 54. Capital surplus

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|---|---|---|---|
| Capital premium (equity premium) | 369,800,262.52 | | 12,982,167.48 | 356,818,095.04 |
| Other capital reserves | 57,427,206.49 | | | 57,427,206.49 |
| Total | 427,227,469.01 | | 12,982,167.48 | 414,245,301.53 |

Other descriptions, including increases and decreases in current period and explanations of causes for changes:

Impact of changes in the investment holding ratio of subsidiaries: -CNY 12,982,167.48.

### 55. Treasury stocks

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|---|---|---|---|
| Equity incentive buybacks | 119,295,717.30 | 28,551,655.89 | | 147,847,373.19 |
| Total | 119,295,717.30 | 28,551,655.89 | | 147,847,373.19 |

Other descriptions, including increases and decreases in current period and explanations of causes for changes:

### 56. Other comprehensive revenue

Unit: CNY

| Items | Opening balance | Amount incurred this period | | | | | | Closing balance |
|---|---|---|---|---|---|---|---|---|
| | | Amount before income tax for this period | Less: Profits and losses carried forward to current period from other comprehensive revenue included in the previous period. | Less: Retained earnings in current period carried forward to current period from other comprehensive revenue included in the previous period. | Less: Income tax expense | Attributable to parent company after tax | Attributable to minority shareholders after tax | |
| II. Other comprehensive revenue to be reclassified into profits and losses | 19,577,146.90 | -4,012,673.67 | | | | -4,012,673.67 | | 15,564,473.23 |
| Translation differences of foreign currency financial statements | 19,577,146.90 | -4,012,673.67 | | | | -4,012,673.67 | | 15,564,473.23 |
| Total other comprehensive revenue | 19,577,146.90 | -4,012,673.67 | | | | -4,012,673.67 | | 15,564,473.23 |

Other descriptions, including adjustments to the initial recognized amount of the effective portion of cash flow hedging gains and losses converted into hedged items:

### 57. Special reserves

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|---|---|---|---|

Other descriptions, including increases and decreases in current period and explanations of causes for changes:

### 58. Surplus reserve

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|---|---|---|---|
| Statutory surplus reserve | 350,040,439.28 | 49,174,932.16 | | 399,215,371.44 |
| Total | 350,040,439.28 | 49,174,932.16 | | 399,215,371.44 |

Description of surplus reserve, including changes in increases and decreases in this period and description for causes of changes:

### 59. Undistributed profits

Unit: CNY

| Items | This period | Previous period |
|---|---|---|
| Closing undistributed profits of previous period before adjustments | 3,844,967,551.01 | 3,109,941,135.25 |
| Total opening undistributed profits before adjustment (increase +, decrease -) | | 1,451,018.14 |
| Opening undistributed profits after adjustment | 3,844,967,551.01 | 3,111,392,153.39 |
| Add: Net profit attributable to owners of the parent company for this period | 921,073,108.56 | 910,203,484.57 |
| Less: Appropriation of statutory surplus reserve | 49,174,932.16 | 75,838,394.11 |
| Dividends payable on ordinary stock | 167,482,821.40 | 100,789,692.84 |
| Closing undistributed profit | 4,549,382,906.01 | 3,844,967,551.01 |

Statement of opening undistributed profits before adjustment:

1) Due to the retrospective adjustment of the Accounting Standards for Business Enterprises and its related new regulations, the opening undistributed profit was impacted by CNY 0.00.

2) Due to changes in accounting policies, the opening undistributed profit was impacted by CNY 0.00.

3) Due to the correction of major accounting errors, the opening undistributed profit was impacted by CNY 0.00.

4) Changes in the scope of consolidation due to the same control, the opening undistributed profit was impacted by CNY 0.00.

5) Opening undistributed profit impacted by other adjustments was CNY 0.00.

### 60. Operating revenue and operating cost

Unit: CNY

| Items | Amount incurred this period | | Amount incurred in previous period | |
|---|---|---|---|---|
| | Revenue | Cost | Revenue | Cost |
| Main business | 6,067,202,803.95 | 3,072,359,545.48 | 5,592,087,732.10 | 2,909,599,508.26 |
| Other business | 16,813,738.24 | 1,815,148.68 | 12,536,793.73 | 1,687,352.97 |
| Total | 6,084,016,542.19 | 3,074,174,694.16 | 5,604,624,525.83 | 2,911,286,861.23 |

Is the lower of the audited net profit before and after deducting non-recurring gains and losses negative?

□ Yes ☑ No

Breakdown information of operating revenue and operating cost:

Unit: CNY

| Contract classification | Segment 1 | | Segment 2 | | | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Operating revenue | Operating cost | Operating revenue | Operating cost | Operating revenue | Operating cost | Operating revenue | Operating cost |
| Business type | 6,084,016,542.19 | 3,074,174,694.16 | | | | | 6,084,016,542.19 | 3,074,174,694.16 |
| Including: | | | | | | | | |
| Life sciences | 2,840,674,286.25 | 1,408,485,016.64 | | | | | 2,840,674,286.25 | 1,408,485,016.64 |
| Industrial testing | 1,204,062,501.84 | 659,165,712.02 | | | | | 1,204,062,501.84 | 659,165,712.02 |
| Consumer goods testing | 988,004,869.88 | 557,921,898.71 | | | | | 988,004,869.88 | 557,921,898.71 |
| Trade assurance | 763,928,702.56 | 219,948,224.25 | | | | | 763,928,702.56 | 219,948,224.25 |
| Pharma and clinical services | 287,346,181.66 | 228,653,842.54 | | | | | 287,346,181.66 | 228,653,842.54 |
| Classification by business area | 6,084,016,542.19 | 3,074,174,694.16 | | | | | 6,084,016,542.19 | 3,074,174,694.16 |
| Including: | | | | | | | | |
| China | 5,717,234,611.54 | 2,803,646,620.86 | | | | | 5,717,234,611.54 | 2,803,646,620.86 |
| Outside China | 366,781,930.65 | 270,528,073.30 | | | | | 366,781,930.65 | 270,528,073.30 |
| Market or client type | | | | | | | | |
| Including: | | | | | | | | |
| | | | | | | | | |
| Type of contract | | | | | | | | |
| Including: | | | | | | | | |
| | | | | | | | | |
| Classification by time of transfer of goods | | | | | | | | |
| Including: | | | | | | | | |
| | | | | | | | | |
| Classification by contract period | | | | | | | | |
| Including: | | | | | | | | |
| | | | | | | | | |
| Classification by sales channel | | | | | | | | |
| Including: | | | | | | | | |
| | | | | | | | | |
| Total | | | | | | | | |

Information related to performance obligations:

| Items | Time to fulfill performance obligations | Major payment terms | Nature of goods promised to transfer by the Company | Main responsible person or not? | Amounts assumed by the Company and expected to be refunded to | Types of quality assurance and related obligations |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | clients | provided by the Company |

Other descriptions

Information related to the transaction price distributed to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations of the contract signed that have not been performed or have not been performed completely is CNY 0.00, including CNY 0.00 expected to be recognized in year 0, CNY 0.00 expected to be recognized in year 0, and CNY 0.00 expected to be recognized in year 0.

Information related to variable consideration in the contract:

Major changes of contract or major adjustments in transaction price

Unit: CNY

| Items | Accounting treatment methods | Amount of impact on revenue |
|---|---|---|

Other Notes:

## 61. Taxes and surcharges

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Urban maintenance and construction tax | 9,691,812.02 | 9,390,713.27 |
| Educational surcharge | 4,435,723.70 | 4,266,395.39 |
| Property tax | 14,568,289.40 | 11,725,163.30 |
| Land use tax | 850,221.57 | 693,827.03 |
| Vehicle and vessel usage tax | 79,218.13 | 78,934.12 |
| Stamp duty | 3,286,574.81 | 2,695,756.16 |
| Local education surcharge | 2,948,431.52 | 2,841,963.17 |
| Other taxes | 2,300,191.45 | 1,709,188.64 |
| Total | 38,160,462.60 | 33,401,941.08 |

Other Notes:

## 62. General and administrative expenses

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Salaries | 245,103,603.56 | 230,359,142.53 |
| Depreciation and amortization costs | 32,409,373.57 | 26,203,269.44 |
| Rent and utility costs | 17,877,473.84 | 9,511,234.20 |
| Office expenses | 20,981,818.47 | 23,526,226.75 |
| Travel expense | 8,509,274.63 | 9,690,499.74 |
| Consulting and training fees | 22,980,417.74 | 21,580,925.94 |
| Certification fee | 4,190,945.97 | 4,034,241.77 |
| Material consumables | 1,139,099.13 | 987,724.05 |
| Others | 17,231,431.60 | 17,692,408.31 |
| Total | 370,423,438.51 | 343,585,672.73 |

Other Notes:

## 63. Selling expenses

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Salaries | 647,008,350.58 | 614,211,314.43 |
| Depreciation and amortization costs | 10,860,102.72 | 10,823,559.57 |
| Rent and utility costs | 9,300,967.33 | 8,429,679.14 |
| Office expenses | 30,429,151.35 | 30,665,799.23 |
| Travel expense | 56,390,027.13 | 61,755,598.09 |
| Hospitality expense | 64,852,371.27 | 71,453,903.28 |
| Training fees | 985,426.86 | 924,275.53 |
| Market development fee | 208,049,825.12 | 151,891,693.14 |
| Others | 12,489,428.02 | 10,625,252.94 |
| Total | 1,040,365,650.38 | 960,781,075.35 |

Unit: CNY

Other Notes:

## 64. R&D expenses

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Salaries | 379,631,807.02 | 335,006,248.00 |
| Material costs | 46,121,732.11 | 41,350,746.52 |
| Depreciation and amortization costs | 73,484,262.05 | 67,604,234.83 |
| Rent and utility costs | 25,662,067.80 | 24,312,212.02 |
| Others | 4,392,425.40 | 4,348,229.97 |
| Total | 529,292,294.38 | 472,621,671.34 |

Unit: CNY

Other Notes:

## 65. Finance cost

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Interest expense | 15,962,633.30 | 17,502,707.77 |
| Less: Interest income | 11,692,322.17 | 21,438,962.41 |
| Currency exchange gains and losses | -2,966,319.41 | -249,241.82 |
| Bank charges and others | 2,710,905.47 | 3,436,751.54 |
| Total | 4,014,897.19 | -748,744.92 |

Other Notes:

## 66. Other revenues

Unit: CNY

| Other sources of revenue | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| VAT deduction | -3,962,261.41 | 15,720,044.68 |
| Refund of procedure charges for individual income tax | 2,283,210.55 | 1,976,370.73 |
| Transfer-in of deferred income | 16,643,827.83 | 15,214,399.92 |

| | | |
|---|---|---|
| Total government subsidies where each single subsidy does not exceed CNY 100,000 | 6,776,444.26 | 7,970,786.23 |
| Preferential tax exemption policies for recruiting key groups | 550,550.00 | 811,200.00 |
| Second Batch of Industrial Support Funds for Caohejing Development Zone in Shanghai | 3,530,000.00 | |
| 2024 Standard Development and Standardization Work Reward Project in Bao'an District | 2,700,100.00 | |
| Special funding awards in the field of Shenzhen standards in 2023 | 1,960,488.00 | |
| 2023 Special Funds for High-Quality Development | 1,550,000.00 | |
| Tibet Subsidiary - Granting of 2023 Guangdong Province's Counterpart Support Funds for Industrial Development Guidance in Nyingchi | 1,500,000.00 | |
| Shanghai Pinzheng - Integration Project of Manufacturing and Service Industries | 1,125,000.00 | |
| Ningbo Subsidiary - 2023 Comprehensive Assessment Funds for S&T Service Enterprises | 1,000,000.00 | |
| Special funding awards in the field of Shenzhen standards in 2022 | 900,000.00 | |
| Anhui subsidiary--Hi-tech enterprise subsidies | 851,872.00 | 100,000.00 |
| 2023 Growth Reward for National High-Tech Enterprises in Bao'an District | 600,000.00 | |
| Normatex Next Level Bundeskasse Halle | 551,454.40 | |
| Policy subsidies for stable growth of scientific research and technical service industries | 537,184.00 | 233,120.00 |
| Reward for High-Tech Industrial Development in Nanjing Xingang | 500,000.00 | |
| Beijing Economic-Technological Development Area - Funding for School-Enterprise Cooperation | 500,000.00 | 213,000.00 |
| Kunshan High-Tech Industrial Development Zone - Subsidy Funds for Southern Jiangsu Region | 500,000.00 | |
| Hangzhou Qianjiang Economic Development Zone - Rental Subsidy | 476,200.00 | |
| Public health project fund | 455,960.00 | 200,000.00 |
| 2024 Municipal Special Funds for Building Advanced Manufacturing Bases | 450,000.00 | |
| Enterprise R&D Investment Subsidy Project in Bao'an District | 449,900.00 | |
| Guangzhou Pinbiao - Reward for High-Tech Enterprise Certification | 400,000.00 | |
| Subsidy for stabilizing employment | 365,245.70 | 108,900.00 |
| 2023 Provincial Special Subsidy for Public Service Demonstration Platforms for Small and Medium-Sized Enterprises | 350,000.00 | |

| | | |
|---|---|---|
| Hefei High-Tech Industrial Development Zone - Special Subsidy for Supporting Enterprise Growth and Expansion | 330,000.00 | |
| AiF Projekt | 303,325.26 | |
| 2023 Shenzhen Hi-tech Zone development special plans | 300,000.00 | 150,000.00 |
| Shijiazhuang High-Tech Enterprise Reward and Subsidy Funds | 300,000.00 | |
| District-Level Reward Funds for High-Tech Enterprises | 300,000.00 | |
| Special funds for Digital Liaoning Manufacturing Strong Province | 300,000.00 | |
| 2022 Provincial Project awarding enterprises using special and sophisticated technologies to produce novel and unique products | 250,000.00 | |
| 2024 One-Time Improvement Reward and Subsidy for Skilled Talent Training Bases in Bao'an District | 250,000.00 | |
| Suzhou Subsidiary - 2023 Jiangsu Province's Special Subsidy Funds for Quality Strengthening | 230,000.00 | |
| Sichuan Jianxin - 2022 Chengdu's Subsidy Project for the Growth Engineering of Small and Medium-Sized Enterprises | 229,900.00 | |
| Heilongjiang Subsidiary - Trainee Subsidy | 227,664.00 | |
| 2024 Special Subsidy for Supporting the Construction of Public Service Platforms | 225,500.00 | |
| Subsidies for enterprise R&D investment | 221,400.00 | 692,700.00 |
| Zhejiang Huajian - Rental Subsidy | 213,700.00 | |
| Sichuan Jianxin - 2023 Provincial Special Funds for the Development of S&T Service Industries | 200,000.00 | |
| Guangzhou Vectoring Pharmatech - Reward for Passing High-Tech Enterprise Certification | 200,000.00 | |
| First Batch of 2024 Daily Operating Funds Subsidy for Postdoctoral Research Stations | 200,000.00 | |
| Government Subsidies for High-Quality Development Enterprises | 200,000.00 | |
| "Specialized, Sophisticated, Unique, and Innovative" Enterprise Reward Project by the Shenzhen Municipal Bureau of Industry and Information Technology | 200,000.00 | |
| 2022 Suzhou's District-Level Reward and Subsidy Funds for Enterprise R&D Expenses | 171,710.00 | |
| Xiamen Subsidiary - Government Subsidies for R&D Projects | 160,000.00 | |
| Nanchang Subsidiary - Subsidy for | 150,000.00 | |

| | | |
|---|---|---|
| High-Tech Enterprises with Dual Improvements | | |
| Tianjin Sheeting--Living allowances for supporting the training of postdoctoral talents | 150,000.00 | 150,000.00 |
| Kunming Subsidiary - Provincial Reward for “Specialized, Sophisticated, Unique, and Innovative” Small and Medium-Sized Enterprises | 150,000.00 | |
| Hangzhou subsidiarity--Employment internship subsidy | 140,202.74 | 228,687.27 |
| IRAS PROGRESSIVE WAGE CREDIT SCHEME | 140,155.85 | |
| Heilongjiang subsidiary--Subsidy after R&D investment for technology-based enterprises | 140,000.00 | 160,000.00 |
| Guangzhou Certification - Reward for Service Outsourcing Performance | 127,025.00 | |
| Steady Job Return Subsidy | 124,136.00 | |
| 2022 Guiyang Social Security Subsidy | 116,019.48 | |
| Social Security Subsidy for Small, Medium, and Micro-Sized Enterprises | 113,117.65 | |
| 2023 Subsidy for National Standard Development Projects | 106,439.00 | |
| 2024 Shenzhen Standard Innovation Demonstration Base Project | 100,000.00 | |
| Shanghai - 2024 Business High-Quality Service Trade Subsidy | 100,000.00 | |
| Standardization Reward Funds by Minhang District, Shanghai | 100,000.00 | |
| Jiangsu Pinbiao - Received in December: Granting of 2024 Nanjing’s Science and Technology Development Plan and Science and Technology Funds | 100,000.00 | |
| Lump-sum job retention training subsidy | | 106,000.00 |
| IRAS Job Growth Incentive | | 131,264.32 |
| Probation subsidy | | 102,181.80 |
| CTI Laboratory--hi-tech enterprise fostering funding | | 300,000.00 |
| Technology-based enterprise fostering project of Shenzhen Hi-tech Zone Development Special Plan | | 400,000.00 |
| 2019 Shanghai special fund (technical transformation) project for industrial transformation and upgrading development | | 7,200,000.00 |
| New Generation Information Electronics Testing Institute | | 6,580,000.00 |
| Annual standard development and standardization work undertaking projects | | 4,505,500.00 |
| 2023 Funding Plan for Construction Project of Shenzhen Enterprise Technology Center for Technology Innovation Project Support Plan | | 2,890,000.00 |

| | | |
|---|---|---|
| Annual special funding award in the field of Shenzhen standards | | 2,336,825.00 |
| Suzhou Biotechnology--Project Fund for Kunshan Innovation and Entrepreneurship Talent Team Plan | | 2,000,000.00 |
| Supporting incentive projects of Bao'an District innovation platform | | 1,888,000.00 |
| National hi-tech enterprise government subsidies | | 1,287,800.00 |
| Service industry development subsidies | | 1,260,000.00 |
| The 18th batch of High-quality development special funds | | 1,000,000.00 |
| Special funds for S&T innovation | | 1,000,000.00 |
| The construction of public service platforms of municipal-level inclusive policies support | | 850,000.00 |
| Subsidy of Chengdu S&T resource sharing service platform (air pollution monitoring field) | | 800,000.00 |
| Annual Suzhou municipal-level special fund to build advanced manufacturing base | | 800,000.00 |
| Xiamen subsidiary--Xiamen Municipal Quality Supervision Administration Standardization Fund Subsidy | | 725,000.00 |
| Standardization Fund Subsidy from Xiamen Municipal Quality Supervision Administration | | 725,000.00 |
| Filing and performance evaluation of Suzhou S&T public service platform | | 600,000.00 |
| Provincial support subsidies for enterprises using special and sophisticated technologies to produce novel and unique products | | 600,000.00 |
| Support for the clustering development of scientific and technical service institutions in key areas | | 500,000.00 |
| 2023 key contribution enterprise projects | | 500,000.00 |
| Chengdu Testing--Provincial Enterprise Technology Center | | 500,000.00 |
| Chengdu Testing--Rewards for R&D expenses reaching CNY 10 million | | 446,000.00 |
| Shaanxi Ecological Environmental Quality Inspection and Testing Service Sharing Platform Project | | 400,000.00 |
| Shanghai district level financial support | | 400,000.00 |
| Public health project fund | | 383,240.00 |
| Youth employment internship subsidy | | 342,612.00 |
| Chengdu Testing--Rewards for continuous Gazelle Enterprise Certification | | 300,000.00 |
| Chengdu Testing--Rewards for | | 300,000.00 |

| | | |
|---|---|---|
| enterprises in the S&T service industry to become bigger and stronger | | |
| Annual strong quality district incentive fee for quality development | | 300,000.00 |
| Rewards and subsidies for enterprises in the S&T service industry (first time subsidies for entering national or local statistics system) | | 300,000.00 |
| Shares--2017 enterprise information technology project funding of Small and Medium Enterprises Administration special fund | | 240,000.00 |
| Hangzhou subsidiary--National hi-tech enterprise government subsidy | | 228,700.00 |
| Financial subsidies | | 223,921.27 |
| Guangdong Newway--Hi-tech enterprise certification award | | 220,000.00 |
| The 10th batch of S&T project funds in 2023 | | 210,950.00 |
| The 6th batch of S&T project funds | | 210,950.00 |
| Evaluation of Tianjin Young Eagle and Gazelle Enterprise | | 200,000.00 |
| 2023 Funds for the construction of Bao'an District graduate training practice bases | | 200,000.00 |
| Annual hi-tech certification subsidy | | 200,000.00 |
| Municipal industry (small and medium enterprises) development special fund | | 200,000.00 |
| The 4th batch of 2023 bailout policy funds to help stabilize the economy | | 200,000.00 |
| The 3rd batch of hi-tech enterprise fostering funding in 2023 | | 200,000.00 |
| Municipal-level incentive funds for provincial-levels small and medium enterprises using special and sophisticated technologies to produce novel and unique products | | 200,000.00 |
| Provincial-level award projects for enterprises using special and sophisticated technologies to produce novel and unique products | | 200,000.00 |
| Suzhou Biotechnology--Filing and performance evaluation of Suzhou S&T public service platform | | 200,000.00 |
| Government subsidies for R&D projects | | 200,000.00 |
| Subsidies after additional deduction of enterprise R&D expenses | | 198,375.00 |
| Tianjin service industry special funds | | 196,750.00 |
| Online training subsidies | | 174,000.00 |
| Qingdao subsidiary--Industrial support fund | | 157,000.00 |
| Hi-tech enterprise fostering funding in 2023 | | 150,000.00 |
| Hi-tech enterprise incentives and | | 150,000.00 |

| | | |
|---|---|---|
| subsidies | | |
| Rewards for accelerated growth and increased output of S&T service enterprises | | 145,800.00 |
| Anhui Subsidiary--Youth employment internship subsidy | | 131,378.41 |
| 2022 hi-tech enterprise rental subsidies | | 120,785.00 |
| Hi-tech enterprise fostering funding | | 120,000.00 |
| Hi-tech enterprise cultivation subsidy funds | | 120,000.00 |
| Suzhou Biotechnology--Jiangsu Provincial business development special fund | | 119,600.00 |
| Bao’an District intellectual property rights protection subsidy project | | 114,676.88 |
| Shanghai Haotu--Financial support funds | | 100,000.00 |
| Policy realization funds | | 100,000.00 |
| Special funds for the development of S&T enterprises | | 100,000.00 |
| Qingdao Subsidiary--Hi-tech enterprise certification award | | 100,000.00 |
| Fuzhou Subsidiary--Stable growth award | | 100,000.00 |
| Government subsidy project--Zhongshan Municipal Development and Reform Bureau industrial support funds--development and reform special funds | | 100,000.00 |
| The 1st batch of high-quality development and online economic policies in 2022 | | 100,000.00 |
| 2023 Kunming enterprise innovation platform subsidy funds | | 100,000.00 |
| CTI Engineering Guangzhou--Reward for passing hi-tech enterprise certification | | 100,000.00 |
| Fuzhou subsidiary--Hi-tech enterprise awards | | 100,000.00 |
| Total | 50,415,470.31 | 92,921,518.51 |

## 67. Net exposure hedging revenue

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|

Other Notes:

## 68. Profit from changes in fair value

Unit: CNY

| Sources of profit from changes in fair value | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Financial assets at fair value through profit or loss | 35,968.49 | |

| | | |
|---|---|---|
| Trading financial liabilities | 1,538,150.00 | -84,878.94 |
| Other non-current financial assets | | 15,074,161.04 |
| Total | 1,574,118.49 | 14,989,282.10 |

Other Notes:

## 69. Investment income

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Long-term equity investment incomes calculated with the equity method | 42,246,274.46 | 39,909,802.98 |
| Investment incomes from disposal of long-term equity investments | 316.59 | -70,676.26 |
| Investment incomes from holding of other non-current financial assets | | 1,073,000.00 |
| Financial management incomes | 10,737,443.51 | 9,013,472.23 |
| Investment incomes from disposal of other non-current financial assets | 4,334,093.19 | 21,227,244.65 |
| Investment income generated from disposal of asset groups | -11,130,465.06 | |
| Others | 67,000.00 | |
| Total | 46,254,662.69 | 71,152,843.60 |

Other Notes:

There are no significant restrictions on the repatriation of investment income.

## 70. Credit impairment losses

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Losses on bad debts | -85,382,234.73 | -47,382,531.70 |
| Total | -85,382,234.73 | -47,382,531.70 |

Other Notes:

## 71. Assets impairment losses

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| I. Inventory devaluation losses and contract performance cost impairment losses | | 240,991.87 |
| X. Goodwill impairment losses | -14,246,166.74 | |
| XI. Impairment losses on contract assets | -19,609,124.76 | -9,956,930.24 |
| Total | -33,855,291.50 | -9,715,938.37 |

Other Notes:

### 72. Incomes from assets disposal

Unit: CNY

| Sources of incomes from asset disposals | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Gains or losses on disposal of non-current assets | 12,019,761.85 | 1,827,122.56 |
| Total | 12,019,761.85 | 1,827,122.56 |

### 73. Non-operating revenue

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period | Amount included in non-recurring profits and losses for current period |
|---|---|---|---|
| Government subsidies | | 20,000.00 | |
| Amount unpayable | 1,643,905.37 | 589,486.99 | 1,643,905.37 |
| Gains on disposal of non-current assets | 59,686.73 | 188,486.26 | 59,686.73 |
| Others | 4,740,733.33 | 9,928,912.72 | 4,740,733.33 |
| Total | 6,444,325.43 | 10,726,885.97 | 6,444,325.43 |

Other Notes:

### 74. Non-operating expenses

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period | Amount included in non-recurring profits and losses for current period |
|---|---|---|---|
| External donation | 20,000.00 | 98,460.00 | 20,000.00 |
| Losses from scrapping of non-current assets | 3,073,626.82 | 4,369,467.98 | 3,073,626.82 |
| Fines and late fees | 1,686,183.02 | 1,377,327.52 | 1,686,183.02 |
| Others | 915,542.23 | 1,067,334.28 | 915,542.23 |
| Total | 5,695,352.07 | 6,912,589.78 | 5,695,352.07 |

Other Notes:

### 75. Income tax expenses

#### (1) Statement of income tax expenses

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Current income tax expense | 98,444,594.21 | 106,680,726.10 |
| Deferred income tax expense | -11,972,047.08 | -22,575,068.70 |
| Total | 86,472,547.13 | 84,105,657.40 |

### (2) Adjustment process of accounting profits and income tax expenses

Unit: CNY

| Items | Amount incurred this period |
|---|---|
| Total profit | 1,019,360,565.44 |
| Income tax expenses calculated at statutory/ applicable tax rates | 152,904,084.82 |
| Impact of different tax rates applicable to subsidiaries | 8,791,206.72 |
| Impact of adjusting income taxes of previous periods | 2,761,799.26 |
| Impact of non-taxable incomes | -18,551,030.95 |
| Impact of non-deductible costs, expenses and losses | 9,729,083.07 |
| Impact of using deductible losses of unrecognized deferred income tax assets of previous periods | -7,261,930.55 |
| Impact of using deductible temporary differences or deductible losses of unrecognized deferred income tax assets the current period. | 11,219,624.36 |
| Impact of additional deduction of R&D expenses | -74,214,134.08 |
| Impact of changes in tax rates | 1,729,243.56 |
| Impact of the new leasing standards | -1,082,012.63 |
| Others | 446,613.55 |
| Income tax expense | 86,472,547.13 |

Other Notes:

## 76. Other comprehensive revenue

See Note 56 for details.

## 77. Cash flow statement items

### (1) Cash related to operating activities

Other cash received relating to operating activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Deposits and guarantees | 59,076,891.70 | 83,295,304.62 |
| Government subsidies received | 46,533,483.49 | 67,799,345.57 |
| Current accounts | 20,600,702.62 | 24,296,554.00 |
| Interest income from current deposit | 11,528,611.99 | 21,345,354.82 |
| Others | 43,483,536.82 | 82,454,437.63 |
| Total | 181,223,226.62 | 279,190,996.64 |

Description of other cash received related to operating activities:

Other cash paid relating to operating activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Period costs | 504,235,763.06 | 517,333,209.82 |
| Deposits and guarantees | 88,687,220.77 | 76,387,300.86 |
| Current accounts | 23,840,182.99 | 28,040,299.09 |

| | | |
|---|---|---|
| Others | 43,698,082.19 | 71,620,369.23 |
| Total | 660,461,249.01 | 693,381,179.00 |

Description of other cash paid related to operating activities:

## (2) Cash related to investing activities

Other cash received relating to investing activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Financial products | 466,364,893.55 | 516,912,440.59 |
| Others | | 2,016,160.60 |
| Total | 466,364,893.55 | 518,928,601.19 |

Significant cash received related to investing activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|

Description of other cash received related to investing activities:

Other cash paid relating to investing activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Financial products | 844,027,673.16 | 432,895,262.68 |
| Total | 844,027,673.16 | 432,895,262.68 |

Significant cash payments related to investing activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|

Description of other cash paid related to investment activities:

## (3) Cash related to financing activities

Other cash received relating to financing activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Others | 100,000.00 | 6,584,757.28 |
| Total | 100,000.00 | 6,584,757.28 |

Description of other cash received related to financing activities:

Other cash paid relating to financing activities

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Payment for acquisition of minority shareholders’ equity | 18,525,806.00 | 943,000.00 |
| Share buyback | 28,551,655.89 | 83,803,862.08 |
| Lease payment | 129,895,980.12 | 118,481,072.45 |
| Others | 2,158,619.01 | 1,765,461.03 |

| | | |
|---|---|---|
| Total | 179,132,061.02 | 204,993,395.56 |

Description of other cash payments related to financing activities:

Changes in various liabilities arising from financing activities

□ Applicable ☑ Not applicable

### (4) Description of cash flow presented on a net basis

| Items | Relevant facts and circumstances | Basis for net presentation | Financial impact |
|---|---|---|---|

### (5) Major activities and financial impacts that do not involve current cash receipts and payments but affect the Company's financial status or may affect the Company's cash flow in the future

### 78. Supplementary information for cash flow statement

### (1) Supplementary information for cash flow statement

Unit: CNY

| Supplementary information | Current amount | Amount of last period |
|---|---|---|
| 1. Reconciliation from net profit to cash flows from operating activities | | |
| Net profit | 932,888,018.31 | 927,196,984.51 |
| Add: Provisions for assets impairment | 119,237,526.23 | 57,098,470.07 |
| Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets | 339,999,804.63 | 322,229,418.62 |
| Depreciation of right-of-use assets | 110,837,340.10 | 103,385,371.13 |
| Amortization of intangible assets | 8,973,200.09 | 8,584,754.25 |
| Amortization of long-term prepaid expenses | 44,225,168.72 | 58,157,072.11 |
| Losses from disposal of fixed assets, intangible assets and other long-term assets (income is indicated with a sign "-") | -12,019,761.85 | -1,827,122.56 |
| Losses from scrapping of fixed assets (income is indicated with a sign "-") | 3,013,940.09 | 4,180,981.72 |
| Losses from changes in fair value (income is indicated with a sign "-") | -1,574,118.49 | -14,989,282.10 |
| Finance costs (income is indicated with a sign "-") | 12,996,313.89 | 17,284,274.16 |
| Investment losses (income is indicated with a sign "-") | -46,254,662.69 | -71,152,843.60 |
| Decrease in deferred income tax assets (increase is indicated with a sign "-") | -36,309,005.86 | -40,808,216.34 |
| Increase in deferred income tax liabilities (decrease is indicated with a sign "-") | 24,007,316.57 | 18,226,470.88 |
| Decrease in inventory (increase is | -1,947,098.36 | -1,288,728.55 |

| | | |
|---|---|---|
| indicated with a sign "-") | | |
| Decrease in operating receivables (increase is indicated with a sign "-") | -586,772,210.72 | -309,278,417.94 |
| Increase in operating payables (decreases are indicated with a sign "-") | 151,598,166.17 | 45,395,570.51 |
| Others | | |
| Net cash flows from operating activities | 1,062,899,936.83 | 1,122,394,756.87 |
| 2. Major investment and financing activities involving no cash receipts and payments | | |
| Debt transferred to capital | | |
| Current portion of convertible bonds of the Company | | |
| Fixed assets acquired under finance leases | | |
| 3. Net changes in cash and cash equivalents: | | |
| Closing balance of cash | 850,310,206.78 | 1,424,811,490.89 |
| Less: Opening balance of cash | 1,424,811,490.89 | 1,574,491,482.21 |
| Add: Closing balance of cash equivalents | | |
| Less: Opening balance of cash equivalents | | |
| Net increase in cash and cash equivalents | -574,501,284.11 | -149,679,991.32 |

### (2) Net cash paid in current period to acquire subsidiaries

Unit: CNY

| | Amount |
|---|---|
| Cash or cash equivalents paid in current period for business combinations occurred in current period | 301,138,169.46 |
| Including: | |
| VIRCON LIMITED | 76,499,042.40 |
| GRAND VANTAGE GLOBAL VERIFICATION LIMITED | 8,557,464.02 |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | 748,840.00 |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | 3,672,000.00 |
| Greater Asia Pacific Limited | 51,196,888.38 |
| NAIAS SCIENTIFICANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME | 158,798,934.66 |
| Centre Testing International Metrology Testing (Henan) Co., Ltd. | 1,665,000.00 |
| Less: Cash and cash equivalents held by the Company at the acquisition date | 55,077,445.05 |
| Including: | |
| VIRCON LIMITED | 20,321,192.50 |
| GRAND VANTAGE GLOBAL VERIFICATION LIMITED | 1,470,555.86 |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | 2,455,242.61 |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | 277,840.48 |
| Greater Asia Pacific Limited | 18,287,632.84 |
| NAIAS SCIENTIFICANALYTICAL | 12,264,980.76 |

| | |
|---|---|
| LABORATORIES SINGLE MEMBER SOCIETE ANONYME | |
| Add: Cash or cash equivalents paid in current period for business combinations occurred in previous periods | 15,123,095.94 |
| Including: | |
| CTI Fengxue Testing Technology Co., Ltd. | 4,767,499.99 |
| Shaanxi Huabang Testing Service Co., Ltd. | 1,725,589.95 |
| CTI (Nantong) Automotive Technology Services Co., Ltd. | 3,861,850.00 |
| Guangzhou Vectoring Pharmatech Co., Ltd. | 2,688,892.00 |
| Guangdong Neway Quality Technology Service Co., Ltd. | 2,079,264.00 |
| Net cash paid for acquiring subsidiaries | 261,183,820.35 |

Other Notes:

### (3) Net cash received from disposal of subsidiaries in current period

None.

### (4) Composition of cash and cash equivalents

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| I. Cash | 850,310,206.78 | 1,424,811,490.89 |
| Including: Cash on hand | 132,174.71 | 34,366.02 |
| Bank deposits readily available for payment | 839,255,874.18 | 1,385,515,757.63 |
| Funds in other currencies readily available for payment | 10,922,157.89 | 39,261,367.24 |
| III. Closing balance of cash and cash equivalents | 850,310,206.78 | 1,424,811,490.89 |

### (5) Items with limited scope of use but still classified as cash and cash equivalents

Unit: CNY

| Items | Current amount | Amount of last period | Reasons for still being classified as cash and cash equivalents |
|---|---|---|---|

### (6) Cash and cash equivalents that are not cash and cash equivalents

Unit: CNY

| Items | Current amount | Amount of last period | Reasons for not being classified as cash and cash equivalents |
|---|---|---|---|
| Cash and cash equivalents | 32,093,783.42 | 25,705,810.84 | Bid bonds, performance bonds, advance payment guarantees, judicial freezes, and others |
| Total | 32,093,783.42 | 25,705,810.84 | |

Other Notes:

### (7) Description of other major activities

## 79. Notes on items in the statement of changes in owners' equity

Explain the name of the "other" items and the amount of adjustment and other matters for adjusting the closing balance of previous year:

## 80. Foreign currency monetary items

### (1) Foreign currency monetary items

Unit: CNY

| Items | Closing balance of foreign currency | Conversion exchange rate | Closing balance converted into CNY |
|---|---|---|---|
| Cash and cash equivalents | | | |
| Including: USD | 26,778,040.38 | 7.1884 | 192,491,265.47 |
| EUR | 3,684,659.78 | 7.5257 | 27,729,644.11 |
| HKD | 53,822,928.94 | 0.9260 | 49,840,032.20 |
| GBP | 32,342.94 | 9.0765 | 293,560.69 |
| NTD | 62,659,582.00 | 0.2229 | 13,966,820.83 |
| SGD | 1,539,863.48 | 5.3214 | 8,194,229.52 |
| ZAR | 5,255,533.18 | 0.3844 | 2,020,226.95 |
| MXN | 5,352,125.24 | 0.3498 | 1,872,173.41 |
| JPY | 2,667,431.00 | 0.0462 | 123,235.31 |
| VND | 103,327,100.00 | 0.0003 | 30,998.13 |
| Accounts receivable | | | |
| Including: USD | 6,377,879.71 | 7.1884 | 45,846,750.51 |
| EUR | 1,513,180.29 | 7.5257 | 11,387,740.91 |
| HKD | 32,795,561.79 | 0.9260 | 30,368,690.22 |
| GBP | 82,377.26 | 9.0765 | 747,697.20 |
| NTD | 22,649,079.00 | 0.2229 | 5,048,479.71 |
| SGD | 809,787.41 | 5.3214 | 4,309,202.72 |
| ZAR | 31,842.27 | 0.3844 | 12,240.17 |
| MXN | 9,945,522.00 | 0.3498 | 3,478,943.60 |
| Long-term borrowings | | | |
| Including: USD | | | |
| EUR | 319,563.93 | 7.5257 | 2,404,942.27 |
| HKD | | | |
| NTD | 49,166,657.00 | 0.2229 | 10,959,247.85 |
| Contract assets | | | |
| Including: USD | 111,807.50 | 7.1884 | 803,717.03 |
| EUR | 302,726.00 | 7.5257 | 2,278,225.06 |
| HKD | 18,709,961.83 | 0.9260 | 17,325,424.65 |
| SGD | 113,389.40 | 5.3214 | 603,390.35 |
| Other receivables | | | |
| Including: USD | 68,656.61 | 7.1884 | 493,531.18 |
| EUR | 156,905.01 | 7.5257 | 1,180,820.03 |
| HKD | 2,746,344.42 | 0.9260 | 2,543,114.93 |
| GBP | 1,543.00 | 9.0765 | 14,005.04 |
| NTD | 73,142,755.00 | 0.2229 | 16,303,520.09 |
| SGD | 124,802.77 | 5.3214 | 664,125.46 |

| | | | |
|---|---|---|---|
| MXN | 81,356.15 | 0.3498 | 28,458.38 |
| MYR | 9,000.00 | 1.6199 | 14,579.10 |
| Accounts payable | | | |
| Including: USD | 296,710.54 | 7.1884 | 2,132,874.05 |
| EUR | 711,209.48 | 7.5257 | 5,352,349.18 |
| HKD | 2,365,988.60 | 0.9260 | 2,190,905.44 |
| GBP | 10,319.90 | 9.0765 | 93,668.57 |
| NTD | 14,872,091.00 | 0.2229 | 3,314,989.08 |
| SGD | 267,988.75 | 5.3214 | 1,426,075.33 |
| ZAR | 66,541.34 | 0.3844 | 25,578.49 |
| MXN | 2,007,449.43 | 0.3498 | 702,205.81 |
| MYR | 65,817.51 | 1.6199 | 106,617.78 |
| AUD | 5,136.06 | 4.5070 | 23,148.22 |
| Other payables | | | |
| Including: USD | 1,135,423.84 | 7.1884 | 8,161,880.73 |
| EUR | 1,769,681.65 | 7.5257 | 13,318,093.19 |
| HKD | 20,514,942.44 | 0.9260 | 18,996,836.70 |
| GBP | 76,583.08 | 9.0765 | 695,106.33 |
| NTD | 18,265,591.00 | 0.2229 | 4,071,400.23 |
| SGD | 343,096.84 | 5.3214 | 1,825,755.52 |
| ZAR | 7,950.00 | 0.3844 | 3,055.98 |
| JPY | 877,898.00 | 0.0462 | 40,558.89 |
| VND | 12,000,000.00 | 0.0003 | 3,600.00 |
| Lease liabilities (including those due within one year) | | | |
| Including: USD | 86,072.26 | 7.1884 | 618,721.83 |
| EUR | 2,127,348.52 | 7.5257 | 16,009,786.76 |
| HKD | 3,391,744.97 | 0.9260 | 3,140,755.84 |
| NTD | 12,527,456.67 | 0.2229 | 2,792,370.09 |
| SGD | 317,641.57 | 5.3214 | 1,690,297.85 |
| ZAR | 1,137,962.95 | 0.3844 | 437,432.96 |
| MXN | 701,744.82 | 0.3498 | 245,470.34 |

Other Notes:

The amount of long-term borrowings in the above table includes long-term borrowings due within one year.

### (2) Description of overseas operating entities, including, for major overseas operating entities, the disclosure of their main overseas business location, accounting standard currency and its basis for selection; and the disclosure of reasons for the change of accounting standard currency (if any).

□ Applicable ☑ Not applicable

## 81. Leases

### (1) The Company as the lessee

☑ Applicable □ Not applicable

Variable lease payments not included in the measurement of lease liabilities

□ Applicable ☑ Not applicable

Simplified treatment of short-term leases or lease payments for low-value assets

☑ Applicable □ Not applicable

The short-term leases whose treatments are simplified by the Company simplifies include the leases with a period of no more than 12 months, and low-value leases with a value of no more than CNY 40,000.
Total short-term lease expenses and low-value lease expenses included in current profit and loss are CNY 123,462,245.78.

Situations involving sale and leaseback transactions

### (2) The Company as the lessor

Operating lease as a lessor

☑ Applicable □ Not applicable

Unit: CNY

| Items | Rental income | Including: Income related to variable lease payments not included in lease receipts |
|---|---|---|
| Rental income | 9,233,282.51 | |
| Total | 9,233,282.51 | |

Finance lease with the Company as lessor

□ Applicable ☑ Not applicable

Undiscounted lease payments for each of the next five years

□ Applicable ☑ Not applicable

Reconciliation of undiscounted lease receipts and net lease investment

### (3) Recognition of sales profits and losses of finance lease with the Company as a manufacturer or distributor

□ Applicable ☑ Not applicable

### 82. Data resources

### 83. Others

## VIII. R&D expenditures

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Salaries | 379,631,807.02 | 335,006,248.00 |
| Material costs | 46,121,732.11 | 41,350,746.52 |
| Depreciation and amortization costs | 73,484,262.05 | 67,604,234.83 |
| Rent and utility costs | 25,662,067.80 | 24,312,212.02 |
| Others | 4,392,425.40 | 4,348,229.97 |
| Total | 529,292,294.38 | 472,621,671.34 |
| Including: Expensed R&D expenditures | 529,292,294.38 | 472,621,671.34 |

### 1. R&D projects meeting capitalization conditions

Unit: CNY

| Items | Opening balance | Increase in the current period | | | Decrease in the current period | | | Closing balance |
|---|---|---|---|---|---|---|---|---|
| | | Internal development expenditures | Others | | Recognition as intangible assets | Transfer in current profits or losses | | |
| | | | | | | | | |
| Total | | | | | | | | |

Significant capitalized R&D projects

| Items | R&D progress | Estimated completion time | Expected manner of generating economic benefits | Start date of capitalization | Specific basis for the start of capitalization |
|---|---|---|---|---|---|

Provision for impairment of development expenditures

Unit: CNY

| Items | Opening balance | Increase in the current period | Decrease in the current period | Closing balance | Impairment testing status |
|---|---|---|---|---|---|

### 2. Major outsourcing projects in R&D process

| Project name | Expected manner of generating economic benefits | Criteria and specific basis for the determination of capitalization or expensing |
|---|---|---|

Other Notes:

## IX. Changes in the scope of combination

### 1. Business combination not under common control

#### (1) Business combination not under common control occurred during current period

Unit: CNY

| Name of acquiree | Equity acquisition time | Equity acquisition cost | Equity acquisition ratio | Equity acquisition method | Acquisition date | Basis for determining acquisition date | Incomes of the acquirer from the acquisition date to the end of the period | Net profit of the acquiree from the acquisition date to the end of the period | The cash flow of the acquiree from the acquisition date to the end of the period |
|---|---|---|---|---|---|---|---|---|---|
| VIRCON LIMITED | March 8, 2024 | 140,413,041.60 | 55.00% | By cash | March 1, 2024 | Take control | 49,114,052.75 | 5,210,704.96 | -548,412.27 |
| GRAND VANTAGE GLOBAL VERIFICATION LIMITED | May 20, 2024 | 10,708,814.69 | 100.00% | By cash | June 1, 2024 | Take control | 3,304,556.07 | 258,889.75 | 151,511.20 |
| CTI | July 6, | 791,300.00 | 51.00% | By cash | July 1, | Take control | 11,246,695. | 8,395,956.4 | 911,054.03 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | 2024 | | | | 2024 | | 89 | 7 | |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | August 19, 2024 | 4,590,000.00 | 90.00% | By cash | September 1, 2024 | Take control | 962,872.60 | 608,396.67 | 961,077.29 |
| Greater Asia Pacific Limited | December 5, 2024 | 59,014,093.04 | 100.00% | By cash | December 1, 2024 | Take control | 5,556,256.16 | 2,937,020.46 | 1,387,652.40 |
| NAIAS SCIENTIFICANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME | November 29, 2024 | 160,528,029.22 | 100.00% | By cash | December 1, 2024 | Take control | 3,640,155.74 | 853,728.79 | 277,216.63 |

Other Notes:

**(2) Combination costs and goodwill**

Unit: CNY

| Combination costs | VIRCON LIMITED | GRAND VANTAGE GLOBAL VERIFICATION LIMITED | CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | Greater Asia Pacific Limited | NAIAS SCIENTIFICANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME |
|---|---|---|---|---|---|---|
| --Cash | 140,413,041.60 | 10,708,814.69 | 791,300.00 | 4,590,000.00 | 59,014,093.04 | 160,528,029.22 |
| --Fair value of non-cash assets | | | | | | |
| --Fair value of debt issued or assumed | | | | | | |
| --Fair value of equity securities issued | | | | | | |
| --Fair value of contingent consideration | | | | | | |
| --Fair value on the acquisition date of the equity held before the | | | 193,000.00 | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| acquisition date | | | | | | |
| --Other | | | | | | |
| Total combination costs | 140,413,041.60 | 10,708,814.69 | 984,300.00 | 4,590,000.00 | 59,014,093.04 | 160,528,029.22 |
| Less: Share of fair value of identifiable net assets acquired | 28,644,989.25 | 2,587,570.90 | -2,253,046.38 | -1,973,533.83 | 14,770,507.73 | 35,606,230.78 |
| Goodwill/ The amount by which combination cost is less than the share of fair value of identifiable net assets acquired | 111,768,052.35 | 8,121,243.79 | 3,237,346.38 | 6,563,533.83 | 44,243,585.31 | 124,921,798.44 |

Method for determining the fair value of combination costs:

Description of contingent consideration and its changes

Main reasons for the formation of large goodwill:

Other Notes:

**(3) Identifiable assets and liabilities of the acquiree on the acquisition date**

Unit: CNY

| | VIRCON LIMITED | | GRAND VANTAGE GLOBAL VERIFICATION LIMITED | | CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | | Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | | Greater Asia Pacific Limited | | NAIAS SCIENTIFICANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fair value on acquisition date | Book value on acquisition date | Fair value on acquisition date | Book value on acquisition date | Fair value on acquisition date | Book value on acquisition date | Fair value on acquisition date | Book value on acquisition date | Fair value on acquisition date | Book value on acquisition date | Fair value on acquisition date | Book value on acquisition date |
| Assets: | 61,637,489.78 | 61,637,489.78 | 2,946,787.60 | 2,946,787.60 | 4,734,697.03 | 4,734,697.03 | 6,027,150.36 | 6,027,150.36 | 34,751,755.56 | 34,751,755.56 | 45,069,065.34 | 45,069,065.34 |
| Cash and cash equivalents | 20,321,192.50 | 20,321,192.50 | 1,470,555.86 | 1,470,555.86 | 2,455,242.61 | 2,455,242.61 | 277,840.48 | 277,840.48 | 18,287,632.84 | 18,287,632.84 | 12,264,980.76 | 12,264,980.76 |
| Accounts receivable | 17,779,986.86 | 17,779,986.86 | 872,911.63 | 872,911.63 | 20,420.01 | 20,420.01 | 3,425,572.64 | 3,425,572.64 | 3,238,405.22 | 3,238,405.22 | 17,375,270.45 | 17,375,270.45 |
| Inventories | | | | | | | | | | | 25,260.91 | 25,260.91 |
| Fixed assets | 1,412,940.18 | 1,412,940.18 | 263,131.41 | 263,131.41 | 46,098.06 | 46,098.06 | 1,553,194.89 | 1,553,194.89 | 9,225,657.12 | 9,225,657.12 | 7,156,415.58 | 7,156,415.58 |
| Intangible assets | 264,614.13 | 264,614.13 | | | 38,352.18 | 38,352.18 | 191,100.00 | 191,100.00 | | | 3,030,302.36 | 3,030,302.36 |
| Notes receivable | | | 214,573.86 | 214,573.86 | | | | | | | | |
| Advances to suppliers | 800,257.67 | 800,257.67 | 22,455.71 | 22,455.71 | 259,379.17 | 259,379.17 | 65,700.00 | 65,700.00 | 58,930.00 | 58,930.00 | 191,481.71 | 191,481.71 |
| Other receivables | 1,667,056.21 | 1,667,056.21 | 103,159.13 | 103,159.13 | 1,915,205.00 | 1,915,205.00 | 416,184.00 | 416,184.00 | 99,500.49 | 99,500.49 | 159,462.54 | 159,462.54 |
| Contract assets | 13,205,495.83 | 13,205,495.83 | | | | | | | | | 1,108,236.02 | 1,108,236.02 |
| Other current assets | | | | | | | | | 39,120.90 | 39,120.90 | 2,099,540.11 | 2,099,540.11 |
| Long-term equity investments | | | | | | | | | 2,113,617.99 | 2,113,617.99 | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Right-of-use assets | 3,650,360.96 | 3,650,360.96 | | | | | | | 1,393,593.44 | 1,393,593.44 | 1,215,303.32 | 1,215,303.32 |
| Long-term prepaid expenses | 1,671,105.03 | 1,671,105.03 | | | | | 97,558.35 | 97,558.35 | 250,610.73 | 250,610.73 | 442,811.58 | 442,811.58 |
| Deferred tax assets | 864,480.41 | 864,480.41 | | | | | | | 44,686.83 | 44,686.83 | | |
| Liabilities: | 9,555,691.15 | 9,555,691.15 | 359,216.70 | 359,216.70 | 9,152,435.03 | 9,152,435.03 | 8,219,965.73 | 8,219,965.73 | 5,780,333.65 | 5,780,333.65 | 9,462,834.56 | 9,462,834.56 |
| Borrowings | | | | | | | | | | | | |
| Accounts payable | 1,096,593.26 | 1,096,593.26 | 230,832.97 | 230,832.97 | 298,628.47 | 298,628.47 | 2,547,091.31 | 2,547,091.31 | 1,468,656.37 | 1,468,656.37 | 2,907,323.69 | 2,907,323.69 |
| Deferred tax liabilities | 225,346.96 | 225,346.96 | | | | | | | | | | |
| Contract liabilities | 445,543.69 | 445,543.69 | 90,373.47 | 90,373.47 | 8,560,685.93 | 8,560,685.93 | 2,661,926.79 | 2,661,926.79 | 739,727.20 | 739,727.20 | 138,972.17 | 138,972.17 |
| Salaries payable | 2,595,809.50 | 2,595,809.50 | | | 197,407.11 | 197,407.11 | 228,140.34 | 228,140.34 | 1,981,204.18 | 1,981,204.18 | 1,459,277.17 | 1,459,277.17 |
| Taxes payable | 1,208,858.09 | 1,208,858.09 | 16,403.89 | 16,403.89 | 31,912.91 | 31,912.91 | 3,803.59 | 3,803.59 | 90,859.66 | 90,859.66 | 3,109,037.91 | 3,109,037.91 |
| Other payables | 181,138.11 | 181,138.11 | 21,606.37 | 21,606.37 | 63,800.61 | 63,800.61 | 2,779,003.70 | 2,779,003.70 | 106,292.80 | 106,292.80 | 12,349.67 | 12,349.67 |
| Non-current liabilities due within one year | 2,216,222.01 | 2,216,222.01 | | | | | | | | | 428,092.94 | 428,092.94 |
| Lease liabilities | 1,586,179.53 | 1,586,179.53 | | | | | | | 1,393,593.44 | 1,393,593.44 | 787,210.32 | 787,210.32 |
| Deferred income | | | | | | | | | | | 620,570.69 | 620,570.69 |
| Net assets | 52,081,798.63 | 52,081,798.63 | 2,587,570.90 | 2,587,570.90 | -4,417,738.00 | -4,417,738.00 | -2,192,815.37 | -2,192,815.37 | 28,971,421.91 | 28,971,421.91 | 35,606,230.78 | 35,606,230.78 |
| Less: Minority shareholders' interests | | | | | | | | | 14,200,914.18 | 14,200,914.18 | | |
| Net assets acquired | 52,081,798.63 | 52,081,798.63 | 2,587,570.90 | 2,587,570.90 | -4,417,738.00 | -4,417,738.00 | -2,192,815.37 | -2,192,815.37 | 14,770,507.73 | 14,770,507.73 | 35,606,230.78 | 35,606,230.78 |

Method for determining the fair value of identifiable assets and liabilities:

Contingent liabilities of the acquiree assumed in a business combination:

Other Notes:

**(4) Gains or losses arising from remeasurement of equity held before the acquisition date at fair value**

Is there any transaction that realizes the business combination step by step through multiple transactions and takes control during the reporting period?

☑ Yes □ No

Unit: CNY

| Name of acquiree | Acquisition date of the originally held equity interest prior to the acquisition date | Proportion of the originally held equity interest acquired prior to the acquisition date | Acquisition cost of the originally held equity interest prior to the acquisition date | Method of acquisition of the originally held equity interest prior to the acquisition date | Book value of the originally held equity interest on the acquisition date | Fair value of the originally held equity interest on the acquisition date | Gains or losses arising from the remeasurement of the originally held equity interest at fair value on the acquisition date | Method and key assumptions for determining the fair value of the originally held equity interest on the acquisition date | Amount of other comprehensive income related to the originally held equity interest prior to the acquisition date |
|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | transferred to investment income or retained earnings |
|---|---|---|---|---|---|---|---|---|---|
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | | | | | 126,000.00 | 193,000.00 | 67,000.00 | Determined by dividing the equity transfer consideration by the equity transfer proportion and then multiplying by the originally held equity proportion prior to the acquisition date | |

Other Notes:

**(5) Relevant description that the combination consideration or the fair value of the acquiree's identifiable assets and liabilities fails to be rationally determined on the acquisition date or at the end of the current period of combination.**

**(6) Other descriptions**

## 2. Business combination under common control

None.

## 3. Counter purchase

Basic transaction information, the basis for the transaction to constitute a counter purchase, whether the assets and liabilities retained by the listed company constitute businesses and the basis for it, the determination of combination cost, the amount of equity adjustment treating it as an equity transaction and its calculation:

## 4. Disposal of subsidiaries

Is there any transaction or event resulting in the loss of control to subsidiaries during this period?

□ Yes ☑ No

Is there any situation where investments in subsidiaries are disposed of step by step through multiple transactions and the control is lost in current period?

□ Yes ☑ No

### 5. Changes in the scope of consolidation due to other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and their related circumstances:

(1) The newly established subsidiaries in this period include: Suzhou CTI Jiakang Physical Examination Center Co., Ltd., Shenzhen CTI Fengxue Testing Technology Co., Ltd., Shanghai CTI Fengxue Testing Technology Co., Ltd., CTI Pinbiao Energy Technology Services (Beijing) Co., Ltd., Shenzhen CTI Yunjian Construction Technology Co., Ltd., and CENTRE TESTING INTERNATIONAL (VIETNAM) LIMITED LIABLITY COMPANY.

(2) The subsidiaries canceled during this period include: Mirui (Shanghai) Testing Technology Co., Ltd., Shanghai CTI Zhike Materials Technology Co., Ltd., Kunming CTI Medical Testing Laboratory Co., Ltd., Beijing CTI Medical Testing Laboratory Co., Ltd., Ningguo CTI Testing Technology Co., Ltd., Henan CTI Quantong Engineering Testing Co., Ltd., Shenzhen Huacheng Kangda Investment Partnership (Limited Partnership), and Henan Hucheng Information Technology Co., Ltd.

(3) Subsidiaries acquired through asset acquisition during the current period include: Centre Testing International Metrology Testing (Henan) Co., Ltd. The core asset of Henan Metrology is its CNAS accreditation. As Henan Metrology did not meet the condition of “at least having one input and one substantive processing process that, in combination, significantly contribute to output capacity” when the Company acquired 100% of its equity, it does not constitute a business. Therefore, no goodwill exists independently of the identifiable assets in this acquisition transaction. After deducting the fair value of other identifiable assets from the consideration paid upon obtaining control, the remaining amount should be fully attributed to intangible assets.

### 6. Others

## X. Interests in other entities

### 1. Interests in subsidiaries

#### (1) Composition of enterprise groups

Unit: CNY

| Name of subsidiary | Registered capital | Principal place of business | Registration place | Nature of business | Shareholding ratio | | Acquisition method |
|---|---|---|---|---|---|---|---|
| | | | | | Direct | Indirect | |
| Shenzhen CTI Testing Co., Ltd. | 10,000,000 (CNY) | Shenzhen | Shenzhen | Technical testing industry | 100.00% | 0.00% | Establishment |
| Centre Testing International Beijing Co., Ltd. | 50,000,000 (CNY) | Beijing | Beijing | Technical testing industry | 100.00% | 0.00% | Establishment |
| Suzhou CTI Testing Technology Co., Ltd. | 200,000,000 (CNY) | Suzhou | Suzhou | Technical testing industry | 95.00% | 5.00% | Establishment |
| CTI Holding (Hong Kong) Co., Ltd. | 673,380,000 (HKD) | China Hong Kong | China Hong Kong | Technical testing industry | 100.00% | 0.00% | Establishment |
| CENTRE TESTING INTERNATIO | 100,000 (SGD) | Singapore | Singapore | Technical testing industry | 0.00% | 100.00% | Establishment |

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| NAL PTE.LTD. | | | | | | | |
| Taiwan CTI Testing Technology Co., Ltd. | 40,000,000 (NTD) | Taiwan | Taiwan | Technical testing industry | 0.00% | 100.00% | Establishment |
| CTI U.S. INC. | 50,000 (USD) | USA | USA | Technical testing industry | 0.00% | 100.00% | Establishment |
| CEM INTERNATIONAL LIMITED | 229,294 (GBP) | U.K. | U.K. | Technical testing industry | 0.00% | 70.00% | Business combination not under common control |
| CTI-CEM INTERNATIONAL LIMITED | 100 (EUR) | U.K. | U.K. | Technical testing industry | 0.00% | 70.00% | Business combination not under common control |
| POLY NDT (PRIVATE) LIMITED | 70,000 (SGD) | Singapore | Singapore | Technical testing industry | 0.00% | 100.00% | Business combination not under common control |
| MARITEC PTE. LTD. | 28,025,186 (SGD) | Singapore | Singapore | Technical testing industry | 0.00% | 100.00% | Business combination not under common control |
| CTI Germany Management GmbH | 25,000 (EUR) | Germany | Germany | Technical testing industry | 0.00% | 100.00% | Establishment |
| CTI Germany Holding GmbH & Co. KG | 500 (EUR) | Germany | Germany | Technical testing industry | 0.00% | 100.00% | Establishment |
| imat-uve gmbh | 558,000 (EUR) | Germany | Germany | Technical testing industry | 0.00% | 90.00% | Business combination not under common control |
| IMAT-UVE AUTOMOTIVE TESTING CENTRE (PTY) LTD. | 900,120 (ZAR) | South Africa | South Africa | Technical testing industry | 0.00% | 90.00% | Business combination not under common control |
| IMAT AUTOMOTIVE TECHNOLOGY SERVICES INC. | 3,000 (USD) | USA | USA | Technical testing industry | 0.00% | 90.00% | Business combination not under common control |
| IMAT AUTOMOTIVE TECHNOLOGY SERVICES MEXICO. S. DE R.L. DE C.V. | 100,000 (MXN) | Mexico | Mexico | Technical testing industry | 0.00% | 90.00% | Business combination not under common control |
| Imat (Shenyang) Automotive Technology Co., Ltd. | 2,960,938 (EUR) | Shenyang | Shenyang | Technical testing industry | 0.00% | 90.00% | Business combination not under common control |
| Shanghai Imat Automotive Technology | 11,320,349 (CNY) | Shanghai | Shanghai | Technical testing industry | 0.00% | 100.00% | Business combination not under |

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| Services Co., Ltd. | | | | | | | common control |
| Qingdao CTI Testing Technology Co., Ltd. | 6,000,000 (CNY) | Qingdao | Qingdao | Technical testing industry | 100.00% | 0.00% | Establishment |
| Shanghai CTI Pinbiao Testing Technology Co., Ltd. | 30,868,981 (CNY) | Shanghai | Shanghai | Technical testing industry | 78.73% | 21.27% | Establishment |
| Xiamen CTI Testing Technology Co., Ltd. | 20,000,000 (CNY) | Xiamen | Xiamen | Technical testing industry | 0.00% | 100.00% | Establishment |
| Ningbo CTI Testing Technology Co., Ltd. | 10,000,000 (CNY) | Ningbo | Ningbo | Technical testing industry | 0.00% | 100.00% | Establishment |
| Centre Testing International Certification Co., Ltd. | 50,000,000 (CNY) | Shenzhen | Shenzhen | Technical certification | 0.00% | 100.00% | Business combination not under common control |
| Beijing CTI Excellence Technical Services Co., Ltd. | 3,000,000 (CNY) | Beijing | Beijing | Technical testing industry | 0.00% | 100.00% | Establishment |
| Zhejiang Hua'an Energy-saving Engineering Co., Ltd. | 5,000,000 (CNY) | Hangzhou | Hangzhou | Technical testing industry | 0.00% | 100.00% | Establishment |
| Shenzhen CTI Commodity Inspection Co., Ltd. | 5,000,000 (CNY) | Shenzhen | Shenzhen | Technical appraisal | 100.00% | 0.00% | Business combination not under common control |
| Suzhou CTI Biotechnology Co., Ltd. | 60,000,000 (CNY) | Suzhou | Suzhou | Technical testing industry | 0.00% | 85.38% | Establishment |
| Guangdong CTI Forensic Identification Center | 1,000,000 (CNY) | Shenzhen | Shenzhen | Technical appraisal | 100.00% | 0.00% | Establishment |
| Shenzhen CTI Training Center | 1,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 100.00% | 0.00% | Establishment |
| Shenzhen CTI Standard Material Research Institute | 200,000 (CNY) | Shenzhen | Shenzhen | Technical testing industry | 100.00% | 0.00% | Establishment |
| Shenzhen CTI Private Equity Fund Management Co., Ltd. | 20,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 100.00% | 0.00% | Establishment |
| Shenzhen CTI Information Technology Co., Ltd. | 10,800,000 (CNY) | Shenzhen | Shenzhen | Technical services | 100.00% | 0.00% | Establishment |
| Anhui CTI Testing Technology Co., Ltd. | 17,000,000 (CNY) | Hefei | Hefei | Technical testing industry | 0.00% | 100.00% | Establishment |

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| Guangzhou CTI Pinbiao Testing Co., Ltd. | 20,000,000 (CNY) | Guangzhou | Guangzhou | Technical testing industry | 0.00% | 100.00% | Establishment |
| Shanghai CTI Zhi'an Outpatient Department Co., Ltd. | 10,000,000 (CNY) | Guangzhou | Guangzhou | Service industry | 0.00% | 85.38% | Establishment |
| Shanghai CTI Aipu Medical Laboratory Co., Ltd. | 80,000,000 (CNY) | Shanghai | Shanghai | Service industry | 0.00% | 85.38% | Establishment |
| Chongqing CTI Testing Technology Co., Ltd. | 55,000,000 (CNY) | Chongqing | Chongqing | Technical testing industry | 0.00% | 100.00% | Establishment |
| Suzhou CTI Anping Technology Services Co., Ltd. | 35,000,000 (CNY) | Suzhou | Suzhou | Technical services | 0.00% | 85.38% | Business combination not under common control |
| Wuhan CTI Testing Technology Co., Ltd. | 20,000,000 (CNY) | Wuhan | Wuhan | Technical testing industry | 0.00% | 100.00% | Establishment |
| Huai'an CTI Testing Technology Co., Ltd. | 17,000,000 (CNY) | Huai'an | Huai'an | Technical testing industry | 0.00% | 100.00% | Establishment |
| Dalian Huaxin Physicochemical Testing Center Co., Ltd. | 27,000,000 (CNY) | Dalian | Dalian | Technical testing industry | 0.00% | 100.00% | Business combination not under common control |
| Heilongjiang CTI Testing Technology Co., Ltd. | 30,000,000 (CNY) | Harbin | Harbin | Technical testing industry | 0.00% | 100.00% | Business combination not under common control |
| Hangzhou CTI Testing Technology Co., Ltd. | 45,000,000 (CNY) | Hangzhou | Hangzhou | Technical testing industry | 0.00% | 100.00% | Establishment |
| Hunan Pinbiao CTI Testing Technology Co., Ltd. | 30,000,000 (CNY) | Changsha | Changsha | Technical testing industry | 0.00% | 100.00% | Establishment |
| Hangzhou Hua'an Testing Technology Co., Ltd. | 59,766,489 (CNY) | Hangzhou | Hangzhou | Technical testing industry | 100.00% | 0.00% | Business combination not under common control |
| Xinjiang Kerui Testing Technology Co., Ltd. | 3,000,000 (CNY) | Karamay | Karamay | Technical testing industry | 0.00% | 100.00% | Establishment |
| Shenzhen TNLINK Technology Development Co., Ltd. | 10,122,400 (CNY) | Shenzhen | Shenzhen | Technical testing industry | 0.00% | 100.00% | Establishment |
| Hangzhou Hua'an Engineering Services Co., Ltd. | 5,000,000 (CNY) | Hangzhou | Hangzhou | Technical testing industry | 0.00% | 100.00% | Establishment |

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|---|---|---|---|---|---|---|---|
| Zhoushan Jingwei Ship Service Co., Ltd. | 3,000,000 (CNY) | Zhoushan | Zhoushan | Technical testing industry | 0.00% | 60.00% | Business combination not under common control |
| Shanghai CTI Pinzheng Testing Technology Co., Ltd. | 377,000,000 (CNY) | Shanghai | Shanghai | Technical testing industry | 100.00% | 0.00% | Establishment |
| Guizhou CTI Testing Technology Co., Ltd. | 11,000,000 (CNY) | Guiyang | Guiyang | Technical testing industry | 0.00% | 100.00% | Establishment |
| Nanchang CTI Certification Co., Ltd. | 8,000,000 (CNY) | Nanchang | Nanchang | Technical testing industry | 0.00% | 100.00% | Establishment |
| Henan CTI Testing Technology Co., Ltd. | 39,800,000 (CNY) | Zhengzhou | Zhengzhou | Technical testing industry | 0.00% | 100.00% | Business combination not under common control |
| Tianjin CTI Certification Co., Ltd. | 107,500,000 (CNY) | Tianjin | Tianjin | Technical testing industry | 100.00% | 0.00% | Establishment |
| Yunnan CTI Certification Co., Ltd. | 31,000,000 (CNY) | Kunming | Kunming | Technical testing industry | 0.00% | 100.00% | Establishment |
| CTI Engineering Testing Co., Ltd. | 50,000,000 (CNY) | Guangzhou | Guangzhou | Technical testing industry | 100.00% | 0.00% | Business combination not under common control |
| Ningbo Weizhi Testing Technology Services Co., Ltd. | 805,284 (CNY) | Ningbo | Ningbo | Technical testing industry | 100.00% | 0.00% | Business combination not under common control |
| Hebei CTI Testing Services Co., Ltd. | 18,000,000 (CNY) | Shijiazhuang | Shijiazhuang | Technical testing industry | 0.00% | 100.00% | Establishment |
| Beijing CTI Food and Agricultural Certification Services Co., Ltd. | 3,000,000 (CNY) | Beijing | Beijing | Technical certification | 0.00% | 100.00% | Business combination not under common control |
| Gansu CTI Certification Co., Ltd. | 30,000,000 (CNY) | Lanzhou | Lanzhou | Technical testing industry | 0.00% | 100.00% | Establishment |
| Jiangsu CTI Pinbiao Testing and Certification Technology Co., Ltd. | 35,000,000 (CNY) | Nanjing | Nanjing | Technical testing industry | 0.00% | 100.00% | Establishment |
| Jiangyin CTI Zhi'an Outpatient Department Co., Ltd. | 4,200,000 (CNY) | Jiangyin | Jiangyin | Service industry | 0.00% | 68.30% | Business combination not under common control |
| Suzhou Wuzhong Economic Development Zone Jiakang | 5,000,000 (CNY) | Suzhou | Suzhou | Service industry | 0.00% | 68.30% | Business combination not under common control |

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| Outpatient Department Co., Ltd. | | | | | | | |
| Shenzhen CTI Pest Management Co., Ltd. | 5,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 67.00% | 33.00% | Establishment |
| Shenzhen CTI Laboratory Technology Services Co., Ltd. | 35,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 67.00% | 0.00% | Establishment |
| CTI Electronic Certification Co., Ltd. | 50,310,000 (CNY) | Zhengzhou | Zhengzhou | Technical certification | 71.26% | 0.00% | Business combination not under common control |
| Fujian Shangwei Testing Co., Ltd. | 6,000,000 (CNY) | Putian | Putian | Technical testing industry | 51.00% | 0.00% | Business combination not under common control |
| Guangxi CTI Certification Co., Ltd. | 21,000,000 (CNY) | Nanning | Nanning | Technical testing industry | 0.00% | 100.00% | Establishment |
| Centre Testing International Metrology Testing Co., Ltd. | 50,000,000 (CNY) | Shenzhen | Shenzhen | Technical testing industry | 0.00% | 100.00% | Establishment |
| Guangzhou CTI Testing and Certification Technology Co., Ltd. | 300,000,000 (CNY) | Guangzhou | Guangzhou | Technical testing industry | 100.00% | 0.00% | Establishment |
| CTI Jianghe Environmental Technology (Shenzhen) Co., Ltd. | 20,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 0.00% | 51.00% | Establishment |
| Inner Mongolia CTI Quality Inspection Service Co., Ltd. | 19,000,000 (CNY) | Hohhot | Hohhot | Technical testing industry | 100.00% | 0.00% | Establishment |
| Suzhou CTI Engineering Testing Co., Ltd. | 10,000,000 (CNY) | Suzhou | Suzhou | Technical testing industry | 100.00% | 0.00% | Establishment |
| Shenzhen CTI Standard Material Research Center Co., Ltd. | 1,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 100.00% | 0.00% | Establishment |
| Fuzhou CTI Pinbiao Testing Co., Ltd. | 10,000,000 (CNY) | Fuzhou | Fuzhou | Technical testing industry | 0.00% | 100.00% | Establishment |
| Liaoning CTI Pinbiao Testing and Certification Co., Ltd. | 30,000,000 (CNY) | Shenyang | Shenyang | Technical testing industry | 0.00% | 100.00% | Establishment |
| Zhongshan CTI Testing Technology | 10,000,000 (CNY) | Zhongshan | Zhongshan | Technical testing industry | 0.00% | 100.00% | Establishment |

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| Co., Ltd. | | | | | | | |
| Dongguan CTI Testing and Certification Co., Ltd. | 17,000,000 (CNY) | Dongguan | Dongguan | Technical testing industry | 100.00% | 0.00% | Establishment |
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 5,100,000 (CNY) | Chengdu | Chengdu | Technical testing industry | 80.00% | 0.00% | Business combination not under common control |
| Chengdu CTI Testing Technology Co., Ltd. | 34,000,000 (CNY) | Chengdu | Chengdu | Technical testing industry | 0.00% | 100.00% | Establishment |
| Shenyang CTI Testing Technology Co., Ltd. | 30,000,000 (CNY) | Shenyang | Shenyang | Technical testing industry | 100.00% | 0.00% | Establishment |
| Pinbiao Environmental Technology Co., Ltd. | 50,000,000 (CNY) | Xi’an | Xi’an | Technical testing industry | 0.00% | 100.00% | Establishment |
| Shanxi CTI Testing and Certification Co., Ltd. | 51,512,600 (CNY) | Taiyuan | Taiyuan | Technical testing industry | 0.00% | 100.00% | Establishment |
| CTI Testing and Certification Group (Shandong) Co., Ltd. | 50,000,000 (CNY) | Qingdao | Qingdao | Technical testing industry | 0.00% | 100.00% | Establishment |
| Wuhan Huaxin Physicochemical Testing Technology Co., Ltd. | 20,000,000 (CNY) | Wuhan | Wuhan | Technical testing industry | 0.00% | 100.00% | Establishment |
| Hebei CTI Junrui Testing Technology Co., Ltd. | 10,000,000 (CNY) | Shijiazhuang | Shijiazhuang | Technical testing industry | 68.00% | 0.00% | Business combination not under common control |
| Zhejiang CTI Yuanjian Testing Co., Ltd. | 10,000,000 (CNY) | Hangzhou | Hangzhou | Technical testing industry | 51.00% | 0.00% | Business combination not under common control |
| Zhejiang Huajian Technology Development Co., Ltd. | 10,000,000 (CNY) | Hangzhou | Hangzhou | Technical testing industry | 0.00% | 51.00% | Business combination not under common control |
| Chengdu Xijiao CTI Rail Transit Technology Co., Ltd. | 7,000,000 (CNY) | Chengdu | Chengdu | Technical testing industry | 60.00% | 0.00% | Establishment |
| Shanghai CTI Pinchuang Medical Testing Co., Ltd. | 373,311,700 (CNY) | Shanghai | Shanghai | Technical testing industry | 85.38% | 0.00% | Establishment |
| CTI Ecological Environment Technology (Tianjin) Co., | 29,163,300 (CNY) | Tianjin | Tianjin | Technical testing industry | 0.00% | 51.00% | Business combination not under common |

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| Ltd. | | | | | | | control |
| Shenzhen CTI Medical Testing Laboratory | 10,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 0.00% | 85.38% | Establishment |
| Centre Testing International Hubei Co., Ltd. | 20,000,000 (CNY) | Wuhan | Wuhan | Technical testing industry | 100.00% | 0.00% | Establishment |
| Zhengzhou CTI Aipu Medical Laboratory Co., Ltd. | 15,000,000 (CNY) | Zhengzhou | Zhengzhou | Service industry | 0.00% | 59.77% | Establishment |
| Qingdao CTI Medical Testing Laboratory Co., Ltd. | 5,000,000 (CNY) | Qingdao | Qingdao | Service industry | 0.00% | 85.38% | Establishment |
| Tianjin CTI Medical Testing Laboratory Co., Ltd. | 5,000,000 (CNY) | Tianjin | Tianjin | Service industry | 0.00% | 85.38% | Establishment |
| Suzhou CTI Medical Testing Laboratory Co., Ltd. | 5,000,000 (CNY) | Suzhou | Suzhou | Service industry | 0.00% | 85.38% | Establishment |
| Shanghai CTI Aiyan Medical Laboratory Co., Ltd. | 1,000,000 (CNY) | Shanghai | Shanghai | Service industry | 0.00% | 85.38% | Establishment |
| Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | 1,250,000 (CNY) | Shanghai | Shanghai | Service industry | 80.00% | 0.00% | Business combination not under common control |
| Haotu Technology (Shanghai) Co., Ltd. | 3,000,000 (CNY) | Shanghai | Shanghai | Service industry | 0.00% | 80.00% | Business combination not under common control |
| Jiangxi Yingyong CTI Testing Co., Ltd. | 10,000,000 (CNY) | Ganzhou | Ganzhou | Service industry | 100.00% | 0.00% | Establishment |
| Tibet CTI Testing Technology Co., Ltd. | 21,000,000 (CNY) | Linzhi | Linzhi | Technical testing industry | 0.00% | 100.00% | Establishment |
| CTI Guoruan Technology Services Nanjing Co., Ltd. | 10,000,000 (CNY) | Nanjing | Nanjing | Service industry | 51.00% | 0.00% | Establishment |
| CTI Southern Pinbiao Testing (Shenzhen) Co., Ltd. | 232,000,000 (CNY) | Shenzhen | Shenzhen | Service industry | 100.00% | 0.00% | Establishment |
| CTI Pindong Testing (Shanghai) Co., Ltd. | 132,000,000 (CNY) | Shanghai | Shanghai | Service industry | 100.00% | 0.00% | Establishment |
| CTI Northern Pinbiao Testing | 288,572,600 (CNY) | Beijing | Beijing | Service industry | 100.00% | 0.00% | Establishment |

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| (Beijing) Co., Ltd. | | | | | | | |
| CTI Data Certification and Testing (Shenzhen) Co., Ltd. | 300,000 (CNY) | Shenzhen | Shenzhen | Technical services | 0.00% | 51.00% | Establishment |
| Guangzhou CTI Pinjian Biotechnology Co., Ltd. | 14,000,000 (CNY) | Guangzhou | Guangzhou | Service industry | 0.00% | 71.72% | Establishment |
| Jilin Anxin Food Technology Services Co., Ltd. | 2,000,000 (CNY) | Changchun | Changchun | Technical testing industry | 70.00% | 0.00% | Business combination not under common control |
| CTI (Nantong) Automotive Technology Services Co., Ltd. | 18,388,160 (CNY) | Nantong | Nantong | Service industry | 100.00% | 0.00% | Business combination not under common control |
| Sichuan CTI Testing Technology Co., Ltd. | 100,000,000 (CNY) | Chengdu | Chengdu | Technical services | 100.00% | 0.00% | Establishment |
| Guangzhou Vectoring Pharmatech Co., Ltd. | 5,000,000 (CNY) | Guangzhou | Guangzhou | Service industry | 0.00% | 85.38% | Business combination not under common control |
| Guangdong Neway Quality Technology Service Co., Ltd. | 20,408,286 (CNY) | Guangzhou | Guangzhou | Technical services | 0.00% | 77.49% | Business combination not under common control |
| Shaanxi Huabang Testing Service Co., Ltd. | 16,560,000 (CNY) | Xi’an | Xi’an | Technical services | 0.00% | 70.00% | Business combination not under common control |
| Shaanxi Huabang Environmental Damage Forensic Appraisal Center | 1,000,000 (CNY) | Xi’an | Xi’an | Technical appraisal | 0.00% | 70.00% | Business combination not under common control |
| CTI VESP Testing Technology Co., Ltd. | 262,581,037 (CNY) | Hefei | Hefei | Technical services | 100.00% | 0.00% | Business combination not under common control |
| Global Future Investment Limited | 200,000,000 (NTD) | Cayman | Cayman | Technical services | 0.00% | 100.00% | Business combination not under common control |
| Huazheng Technology Co., Ltd. | 360,000,000 (NTD) | Taiwan | Taiwan | Technical services | 0.00% | 100.00% | Business combination not under common control |
| Xipai Technology (Nanjing) Co., Ltd. | 40,000,000 (CNY) | Nanjing | Nanjing | Service industry | 100.00% | 0.00% | Business combination not under common control |

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| CTI VESP Testing Technology (Shenzhen) Co., Ltd. | 100,000,000 (CNY) | Shenzhen | Shenzhen | Technical services | 0.00% | 100.00% | Establishment |
| CTI VESP Testing Technology (Shanghai) Co., Ltd. | 100,000,000 (CNY) | Shanghai | Shanghai | Technical services | 0.00% | 100.00% | Establishment |
| Centre Testing International Metrology Testing (Jinan) Co., Ltd. | 10,000,000 (CNY) | Jinan | Jinan | Service industry | 0.00% | 100.00% | Establishment |
| Shanghai CTI Zhi'an Outpatient Department Co., Ltd. | 5,000,000 (CNY) | Shanghai | Shanghai | Service industry | 0.00% | 61.47% | Establishment |
| Centre Testing International (Holdings) Pte Ltd. | 50.000 (SGD) | Singapore | Singapore | Inspection and testing services | 100.00% | 0.00% | Establishment |
| Centre Testing International (Japan) Co., Ltd | 5,000,000 (JPY) | Japan | Japan | Inspection and testing services | 0.00% | 100.00% | Establishment |
| CTI Fengxue Testing Technology Co., Ltd. | 50,000,000 (CNY) | Hefei | Hefei | Inspection and testing services | 0.00% | 51.96% | Business combination not under common control |
| Hefei CTI Fengxue Enterprise Management Partnership (Limited Partnership) | 550,000 (CNY) | Hefei | Hefei | Equity investment | 0.00% | 66.20% | Establishment |
| Shenzhen CTI Fengxue Testing Technology Co., Ltd. | 10,000,000 (CNY) | Shenzhen | Shenzhen | Technical testing industry | 0.00% | 51.96% | Newly established |
| Shanghai CTI Fengxue Testing Technology Co., Ltd. | 10,000,000 (CNY) | Shanghai | Shanghai | Technical testing industry | 0.00% | 51.96% | Newly established |
| GRAND VANTAGE GLOBAL VERIFICATIO N LIMITED | 10,000,000 (NTD) | Taiwan | Taiwan | Technical testing industry | 0.00% | 100.00% | Business combination not under common control |
| VIRCON LIMITED | 200 (HKD) | Hong Kong | Hong Kong | Technical services | 0.00% | 55.00% | Business combination not under common control |
| CTI Pinbiao Energy Technology Services (Beijing) Co., Ltd. | 10,000,000 (CNY) | Beijing | Beijing | Technical testing industry | 51.00% | 0.00% | Newly established |

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|---|---|---|---|---|---|---|---|
| Centre Testing International Metrology Testing (Henan) Co., Ltd. | 30,000,000 (CNY) | Zhengzhou | Zhengzhou | Technical testing industry | 100.00% | 0.00% | Asset acquisition |
| NAIAS SCIENTIFIC - ANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME | 480,000 (EUR) | Piraeus | Piraeus | Technical testing industry | 100.00% | 0.00% | Business combination not under common control |
| Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei | 10,000,000 (CNY) | Hefei | Hefei | Technical testing industry | | 76.84% | Business combination not under common control |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | 6,100,000 (CNY) | Shenzhen | Shenzhen | Technical testing industry | 51.00% | | Business combination not under common control |
| Greater Asia Pacific Limited | 3,000,000 (HKD) | China Hong Kong | China Hong Kong | Equity investment | 100.00% | | Business combination not under common control |
| Microtek (Changzhou) Product Service Co., Ltd. | 300,000 (USD) | Changzhou | Changzhou | Technical testing industry | | 51.00% | Business combination not under common control |
| Shenzhen CTI Yunjian Construction Technology Co., Ltd. | 2,000,000 (CNY) | Shenzhen | Shenzhen | Technical testing industry | | 55.00% | Newly established |
| Suzhou CTI Jiakang Physical Examination Center Co., Ltd. | 5,000,000 (CNY) | Suzhou | Suzhou | Technical testing industry | | 68.30% | Newly established |
| CENTRE TESTING INTERNATIONAL (VIETNAM) LIMITED LIABLITY COMPANY | 20,000 (USD) | Vietnam | Vietnam | Technical testing industry | | 100.00% | Newly established |
| CTI Medical Device Technology Service (Shenzhen) Co., Ltd. | 40,000,000 (CNY) | Shenzhen | Shenzhen | Technical testing industry | | 85.38% | Establishment |

Description on the difference between the proportion of shareholding in subsidiaries and the proportion of voting rights:

Basis for holding half or less of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:

For major structured entities included in the scope of combination, the basis for control is:

Basis for determining whether a company is agent or client:

Other Notes:

**(2) Important non-wholly-owned subsidiaries**

Unit: CNY

| Name of subsidiary | Shareholding ratio of minority shareholders | Profit and loss attributable to minority shareholders this period | Dividends declared to minority shareholders this period | Balance of minority shareholders' equity at the end of this period |
|---|---|---|---|---|
| imat-uve gmbh | 10.00% | -1,503,375.11 | | 7,949,971.21 |
| Shenzhen CTI Laboratory Technology Services Co., Ltd. | 33.00% | 853,663.26 | 5,568,750.00 | 8,047,228.80 |
| CTI Electronic Certification Co., Ltd. | 28.74% | 6,269,434.49 | 8,622,000.00 | 31,230,279.58 |
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 20.00% | -619,924.09 | | 5,199,943.47 |
| CTI Ecological Environment Technology (Tianjin) Co., Ltd. | 49.00% | 449,032.44 | | 23,541,194.77 |
| Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | 20.00% | 3,104,442.95 | 2,000,000.00 | 6,499,156.27 |
| Shanghai CTI Pinchuang Medical Testing Co., Ltd. | 14.62% | -10,571,185.98 | 1,400,000.00 | 86,948,997.67 |
| Shaanxi Huabang Testing Service Co., Ltd. | 30.00% | 968,662.74 | 498,245.69 | 7,470,493.01 |
| VIRCON LIMITED | 45.00% | 2,344,817.23 | | 25,818,505.53 |

Description on the difference between the shareholding ratio of minority shareholders of subsidiaries and their voting rights ratio:

Other Notes:

**(3) Main financial information of major non-wholly-owned subsidiaries**

Unit: CNY

| Name of subsidiary | Closing balance | | | | | | Opening balance | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities |
| imat-uve gmbh | 66,063,542.89 | 63,814,382.30 | 129,877,925.19 | 34,389,346.24 | 10,447,515.74 | 44,836,861.98 | 66,561,476.30 | 50,976,669.68 | 117,538,145.98 | 55,377,859.41 | 18,765,649.74 | 74,143,509.15 |
| Shenzhen CTI Laboratory Technology Services Co., Ltd. | 55,278,972.51 | 633,655.71 | 55,912,628.22 | 27,722,028.76 | 15,493.99 | 27,737,522.75 | 68,119,360.64 | 389,784.38 | 68,509,145.02 | 34,075,291.15 | 21,252.85 | 34,096,544.00 |
| CTI Electronic Certification Co., Ltd. | 115,416,382.94 | 3,738,930.81 | 119,155,313.75 | 10,188,115.71 | 299,835.96 | 10,487,951.67 | 126,513,384.28 | 2,242,025.32 | 128,755,409.60 | 11,791,539.69 | 110,824.09 | 11,902,363.78 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 36,900,969.03 | 8,625,101.60 | 45,526,070.63 | 16,676,405.44 | 2,809,437.77 | 19,485,843.21 | 43,625,891.84 | 10,393,229.30 | 54,019,121.14 | 21,042,472.39 | 3,836,800.87 | 24,879,273.26 |
| CTI Ecological Environment Technology (Tianjin) Co., Ltd. | 57,932,190.58 | 170,273.54 | 58,102,464.12 | 10,058,620.83 | 588.65 | 10,059,209.48 | 58,524,018.04 | 185,020.14 | 58,709,038.18 | 11,580,461.02 | 1,715.25 | 11,582,176.27 |
| Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | 25,475,155.42 | 8,360,050.78 | 33,835,206.20 | 10,086,411.24 | 2,710,159.45 | 12,796,570.69 | 24,947,881.58 | 9,501,243.00 | 34,449,124.58 | 8,765,994.01 | 3,567,083.77 | 12,333,077.78 |
| Shanghai CTI Pinchuang Medical Testing Co., Ltd. | 267,517,865.66 | 488,247,605.09 | 755,765,470.75 | 135,114,960.86 | 70,267,351.74 | 205,382,312.60 | 381,414,457.43 | 436,439,527.06 | 817,853,984.49 | 156,404,019.06 | 42,299,154.91 | 198,703,173.97 |
| Shaanxi Huabang Testing Service Co., Ltd. | 33,800,753.77 | 4,567,234.53 | 38,367,988.30 | 13,356,188.69 | 105,337.29 | 13,461,525.98 | 29,726,903.70 | 6,530,055.58 | 36,256,959.28 | 11,971,312.65 | 952,060.12 | 12,923,372.77 |
| VIRCON LIMITED | 60,031,865.91 | 5,735,831.02 | 65,767,696.93 | 7,174,530.05 | 156,448.85 | 7,330,978.90 | | | | | | |

Unit: CNY

| Name of subsidiary | Amount incurred this period | | | | Amount incurred in previous period | | | |
|---|---|---|---|---|---|---|---|---|
| | Operating revenue | Net profit | Total comprehensive income | Cash flow from operating activities | Operating revenue | Net profit | Total comprehensive income | Cash flow from operating activities |
| imat-uve gmbh | 143,495,699.60 | -15,288,294.51 | -17,306,011.82 | -1,324,861.02 | 177,034,239.07 | 5,622,785.83 | 7,151,171.23 | 12,879,735.80 |
| Shenzhen CTI Laboratory Technology Services Co., Ltd. | 49,209,059.85 | 3,762,504.45 | 3,762,504.45 | 16,765,330.36 | 80,937,928.21 | 11,918,567.13 | 11,918,567.13 | 567,057.60 |
| CTI Electronic Certification Co., Ltd. | 66,105,679.94 | 21,814,316.26 | 21,814,316.26 | 18,399,398.49 | 63,780,652.51 | 22,785,267.98 | 22,785,267.98 | 20,006,803.55 |
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 19,360,112.21 | -3,099,620.46 | -3,099,620.46 | 6,826,538.50 | 19,388,539.72 | 1,521,086.45 | 1,521,086.45 | -172,063.86 |
| CTI Ecological Environment Technology (Tianjin) Co., Ltd. | 9,969,462.59 | 916,392.73 | 916,392.73 | 531,121.61 | 10,963,595.23 | 1,247,911.27 | 1,247,911.27 | -173,806.69 |
| Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | 42,513,265.74 | 3,922,588.71 | 3,922,588.71 | 8,422,943.72 | 40,484,122.84 | 4,813,108.72 | 4,813,108.72 | 8,774,617.51 |
| Shanghai CTI Pinchuang Medical Testing Co., Ltd. | 271,908,618.50 | -67,148,370.83 | -67,148,370.83 | -22,967,054.29 | 332,020,857.59 | 17,022,039.03 | 17,022,039.03 | 23,055,123.95 |
| Shaanxi Huabang Testing Service Co., Ltd. | 41,722,138.88 | 3,228,875.81 | 3,228,875.81 | 1,960,418.99 | 37,929,439.62 | 4,122,561.09 | 4,122,561.09 | 6,056,482.96 |
| VIRCON LIMITED | 49,114,052.75 | 5,210,704.96 | 5,210,704.96 | 825,863.41 | | | | |

Other Notes:

The income statement data of the newly M&A companies listed in the table above covers the period from the date of consolidation to the balance sheet date.

**(4) Significant restrictions on the use of enterprise group assets and repayment of enterprise group debts**

**(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements**

Other Notes:

## 2. The Company's transactions resulting int the change in subsidiary's owner's equity share while the Company still controls the subsidiary

**(1) Description of changes in owner's equity shares of subsidiaries**

Haotu Enterprise Management Consulting (Shanghai) Co., Ltd.: In June 2024, the Company purchased the minority shareholder's equity in Haotu Consulting for CNY 15.53 million. After the transaction, its sharehol15,525,806.00ding in Haotu Consulting increased from 60% to 80%.
Guangzhou CTI Pinjian Biotechnology Co., Ltd.: In May 2024, the Company made a capital contribution of CNY 2 million to Guangzhou Pinjian. After the capital contribution, the shareholding of the Company's subsidiary, Shanghai Pinchuang, in Guangzhou Pinjian increased from 80% to 84%.

**(2) Impact of the transaction on minority shareholders' equity and owner's equity attributable to the parent company**

| | Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | Guangzhou CTI Pinjian Biotechnology Co., Ltd. |
|---|---|---|
| Purchase cost/disposal consideration | | |
| --Cash | 15,525,806.00 | 2,000,000.00 |
| --Fair value of non-cash assets | | |
| | | |
| Total purchase cost/disposal consideration | 15,525,806.00 | 2,000,000.00 |
| Less: Share of net assets of subsidiaries calculated in proportion to equity acquired/disposed of | 3,440,023.37 | 1,771,558.17 |
| Difference | 12,085,782.63 | 228,441.83 |
| Including: Adjustment of capital reserves | 12,085,782.63 | 228,441.83 |
| Adjustment of surplus reserves | | |
| Adjustment of undistributed profits | | |

Unit: CNY

Other Notes:

## 3. Equities in joint venture arrangements or associated businesses

### (1) Important joint ventures or associated businesses

| Name of joint | Principal place | Registration | Nature of | Shareholding ratio | Accounting |
|---|---|---|---|---|---|

| venture or associated businesses | of business | place | business | Direct | Indirect | treatment for investments in joint ventures or associated businesses |
|---|---|---|---|---|---|---|
| Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd. | Jiaxing | Jiaxing | Technical services | 13.00% | | Accounting by equity method |

Description of the difference between the proportion of shareholdings in joint ventures or associated businesses and the proportion of voting rights:

Basis for holding less than 20% of the voting rights but having major influence, or holding 20% or more of the voting rights but not having major influence:

### (2) Main financial information of major joint ventures

None.

### (3) Main financial information of major associated businesses

Unit: CNY

| | Closing balance/ Amount incurred in this period | Opening balance/Amount incurred in previous period |
|---|---|---|
| | Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd. | Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd. |
| Current assets | 743,419,385.70 | 645,317,779.48 |
| Non-current assets | 705,140,057.73 | 554,698,004.97 |
| Total assets | 1,448,559,443.43 | 1,200,015,784.45 |
| Current liabilities | 273,751,584.27 | 277,863,061.43 |
| Non-current liabilities | 69,477,060.57 | 14,860,000.00 |
| Total liabilities | 343,228,644.84 | 292,723,061.43 |
| | | |
| Minority shareholders’ interests | | |
| Equity attributable to shareholders of the parent company | 1,105,330,798.59 | 907,292,723.02 |
| Share of net assets calculated based on shareholding ratio | 143,693,003.82 | 117,948,053.99 |
| Adjustments | | |
| --Goodwill | | |
| --Unrealized profits from internal transactions | | |
| --Other | | |
| Book value of equity investments in associated businesses | 184,350,895.32 | 160,746,591.98 |
| Fair value of equity investments in associated businesses with publicly quoted prices | | |
| Operating revenue | 577,641,868.97 | 511,827,765.44 |
| Net profit | 261,571,564.07 | 230,071,995.28 |
| Net profit from discontinued operations | | |

| | | |
|---|---|---|
| Other comprehensive incomes | | |
| Total comprehensive income | 261,571,564.07 | 230,071,995.28 |
| | | |
| Dividends received from associated businesses this year | 10,400,000.00 | 6,500,000.00 |

Other Notes:

### (4) Summary financial information of unimportant joint ventures and associated businesses

Unit: CNY

| | Closing balance/ Amount incurred in this period | Opening balance/Amount incurred in previous period |
|---|---|---|
| Joint ventures: | | |
| Total of the following items calculated based on shareholding ratio | | |
| Associated businesses: | | |
| Total book value of investments | 180,422,032.34 | 175,358,583.19 |
| Total of the following items calculated based on shareholding ratio | | |
| --Net profit | 10,370,610.52 | 48,850,417.20 |
| --Total comprehensive income | 10,370,610.52 | 48,850,417.20 |

Other Notes:

### (5) Description of significant restrictions on the ability of joint ventures or associated businesses to transfer funds to the Company

### (6) Excess losses incurred by joint ventures or associated businesses

Unit: CNY

| Name of joint venture or associated businesses | Accumulated unrecognized losses from previous periods | Unrecognized losses (or shared net profits) for the current period | Accumulated unrecognized losses at the end of the current period |
|---|---|---|---|

Other Notes:

### (7) Unrecognized commitments related to investment in joint ventures

### (8) Contingent liabilities related to investments in joint ventures or associated businesses

### 4. Important joint operations

| Name of joint operation | Principal place of business | Registration place | Nature of business | Shareholding ratio/share owned | |
|---|---|---|---|---|---|
| | | | | Direct | Indirect |

Explanation for cases where the shareholding ratio or share owned in the joint operation differs from the voting rights ratio:

Basis for classifying a joint operation as a separate entity (if applicable):

Other Notes:

### 5. Equity in structured entities not included in the scope of consolidated financial statements

Relevant descriptions for structured entities not included in the scope of consolidated financial statements:

### 6. Others

## XI. Government subsidies

### 1. Government subsidies recognized at the amount receivable at the end of the reporting period

□ Applicable ☑ Not applicable

Reasons for failure to receive the estimated amount of government subsidy at the estimated time

□ Applicable ☑ Not applicable

### 2. Liabilities items involving government subsidies

□ Applicable ☑ Not applicable

### 3. Government subsidies included in current profits and losses

☑ Applicable □ Not applicable

Unit: CNY

| Accounting items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Deferred income | 16,643,827.83 | 15,214,399.92 |
| Other income | 35,450,693.34 | 60,010,703.18 |
| Non-operating revenue | 0.00 | 20,000.00 |
| Write-off finance costs | 0.00 | 30,808.21 |

Other descriptions

## XII. Risks related to financial instruments

### 1. Various risks arising from financial instruments

The Company's objective in risk management is to strike a balance between risks and returns, minimize the negative impact of risks on the Company's operating performance, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the Company's basic risk management strategy is to identify and analyze various risks faced by the Company, establish an appropriate risk tolerance bottom line and conduct risk management, and supervise various risks in a timely and reliable manner, to control risks within a limited range.

The Company faces various risks related to financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The Management has reviewed and approved policies for managing these risks, which mainly include:

(I) Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to perform its obligations and causes financial losses to the other party. The Company mainly faces client credit risks caused by credit sales. Before entering into a new contract, the

Company conducts an assessment of the credit risk of new client, including external credit ratings and, in some cases, bank references (when this information is available). The Company sets a credit sales limit for each client, which is the maximum amount that does not require additional approval.

The Company ensures that the Company's overall credit risk is within a controllable range through quarterly monitoring of existing client credit ratings and monthly review of aging analysis of accounts receivable. When monitoring client credit risk, group clients as per their credit characteristics. Clients rated as "high risk" will be placed on the restricted client list, and only with additional approval, can the Company sell to them on credit in the future period, otherwise they must be required to prepay corresponding amount.

As part of the Company's credit risk asset management, the Company uses aging to assess impairment losses on accounts receivable and other receivables. The Company's accounts receivable and other receivables involve a large number of clients, and aging information can reflect the solvency and bad debt risks of these clients for accounts receivable and other receivables.

As of December 31, 2024, the book balance and expected credit impairment losses of related assets are as follows:

| Items | Book balance | Provision for impairment |
|---|---|---|
| Notes receivable | 27,270,213.29 | 3,207,226.70 |
| Accounts receivable | 2,276,566,859.77 | 296,358,783.26 |
| Other receivables | 106,760,851.33 | 3,513,287.26 |
| Total | 2,410,597,924.39 | 303,079,297.22 |

(II) Liquidity risk

Liquidity risk refers to the risk of a shortage of funds when an enterprise fulfills its obligations to settle by delivering cash or other financial assets. The Company's policy is to ensure that sufficient cash is available to meet its debts as they fall due. Liquidity risk is centrally controlled by the Company's financial department. The finance department ensures that the Company has sufficient funds to repay its debts under all reasonable forecasts by monitoring cash balances, readily realizable securities, and rolling forecasts of cash flows over the next 12 months.

As of December 31, 2024, the Company's financial liabilities and off-balance sheet guarantee items are listed as follows in terms of undiscounted contractual cash flows based on the remaining term of the contract:

| Items | Closing balance | | | | |
|---|---|---|---|---|---|
| | Immediate repayment | Within 1 year | 1-3 years | Over 3 years | Total |
| Short-term borrowings | | 2,002,016.65 | | | 2,002,016.65 |
| Notes payable | | 3,690,516.92 | | | 3,690,516.92 |
| Accounts payable | | 818,418,320.02 | | | 818,418,320.02 |
| Other payables | | 170,793,342.08 | | | 170,793,342.08 |
| Long-term borrowings | | | 9,783,815.87 | | 9,783,815.87 |
| Lease liabilities | | | 154,612,078.79 | 95,932,945.39 | 250,545,024.18 |
| Non-current liabilities due within one year | | 114,646,152.94 | | | 114,646,152.94 |
| Total | | 1,109,550,348.61 | 164,395,894.66 | 95,932,945.39 | 1,369,879,188.66 |

(III) Market risk

1. Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company tries its best to match foreign currency income with foreign currency expenditures to reduce exchange rate risk.

2. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The interest rate risk faced by the Company mainly comes from bank borrowings. The Company's current policy is that fixed-rate borrowings account for 100% of external borrowings. In order to maintain this ratio, the Company may use interest rate swaps to achieve the expected interest rate structure. Although this policy will not make the Company completely avoid the risk of paying interest rates that exceed prevailing market rates, and not make the Company completely eliminate the cash flow risk associated with fluctuations in interest payments, the Management believes that this policy achieves a reasonable balance between these risks.

3. Price risk

The Company does not hold equity investments in other listed companies.

## 2. Hedging

**(1) The Company carries out hedging business for risk management**

□ Applicable ☑ Not applicable

**(2) The Company carries out eligible hedging business and applies hedging accounting**

Unit: CNY

| Items | Book values associated with hedged items and hedging instruments | Accumulated fair value hedging adjustments of the hedged items included in the recognized book value of the hedged items | Sources of hedge effectiveness and ineffective portions of hedges | Impact of hedge accounting on the Company's financial statements |
|---|---|---|---|---|
| Types of hedged risks | | | | |
| Categories of hedges | | | | |

Other descriptions

**(3) The Company carries out hedging business for risk management and expects to achieve risk management objectives but does not apply hedging accounting**

□ Applicable ☑ Not applicable

## 3. Financial assets

**(1) Classification of transfer methods**

□ Applicable ☑ Not applicable

**(2) Financial assets derecognized due to transfer**

□ Applicable ☑ Not applicable

**(3) Asset transfer financial assets that continue to be involved**

□ Applicable ☑ Not applicable

Other descriptions

# XIII. Disclosure of fair value

## 1. Closing fair value of assets and liabilities measured at fair value

Unit: CNY

| Items | Closing fair value | | | |
|---|---|---|---|---|
| | Measurement of level 1 fair value | Measurement of level 2 fair value | Measurement of level 3 fair value | Total |
| I. Ongoing measurement of fair value | -- | -- | -- | -- |
| Bank financial products | | 443,026,438.36 | | 443,026,438.36 |
| Other non-current financial assets | | | 15,486,543.73 | 15,486,543.73 |
| Total assets measured at fair value on an ongoing basis | | 443,026,438.36 | 15,486,543.73 | 458,512,982.09 |
| (VII) Financial liabilities designated to measured at fair value through profit or loss | | | 981,621.78 | 981,621.78 |
| Total liabilities measured at fair value on an ongoing basis | | | 981,621.78 | 981,621.78 |
| II. Non-ongoing fair value measurement | -- | -- | -- | -- |

### 2. Basis for determining the market price of ongoing and non-ongoing level-1 fair value measurement items

### 3. Ongoing and non-ongoing level-2 fair value measurement items, evaluation techniques adopted and qualitative and quantitative information of important parameters

### 4. Ongoing and non-ongoing third-level fair value measurement projects, evaluation techniques used and qualitative and quantitative information on important parameters

### 5. Ongoing level-3 fair value measurement items, reconciliation information between the opening and closing book values and sensitivity analysis of unobservable parameters

### 6. For ongoing fair value measurement items, where there is a conversion between different levels during the current period, the reasons for conversion and the policy for determining the time of conversion

### 7. Evaluation technology changes occurred during current period and reasons for the changes

### 8. Fair value of financial assets and financial liabilities not measured at fair value

Financial assets and liabilities not measured at fair value mainly include: Accounts receivable, short-term borrowings, accounts payable, notes receivable, and notes payable.

The difference between the book value and fair value of the above-mentioned financial assets and liabilities not measured at fair value is very small.

### 9. Others

## XIV. Affiliated parties and affiliated transactions

### 1. Information about the parent company of the Company

| Name of parent company | Registration place | Nature of business | Registered capital | Shareholding ratio of parent company in the Company | Voting rights ratio of parent company in the Company |
|---|---|---|---|---|---|

Description of the parent company of the Company

The ultimate controlling party of the Company is Wan Feng.

Other Notes:

### 2. Information about the Company’s subsidiaries

For details of the Company’s subsidiaries, please refer to Section 10 of the Note. 10.1. Equity in Subsidiaries.

### 3. Information on joint ventures and associated businesses of the Company

For details of the Company’s important joint ventures or associated businesses, please refer to Note Section 10. X.3. Interests in joint arrangements or associated businesses.

Information on other joint ventures or associated businesses that have related party transactions with the Company in current period, or on other joint ventures or associated businesses with balances from related party transactions with the Company in previous periods are as follows:

| Name of joint venture or associate | Relationship with the Company |
|---|---|

Other Notes:

## 4. Other related parties

| Name of other related party | Relationship between other related party and the Company |
|---|---|
| Wan Feng | Controlling Shareholder/Chairman |
| Shentu Xianzhong | Directors/Executives |
| Qian Feng | Directors/Executives |
| Liu Zhiquan | Director |
| Zeng Fanli | Director |
| Cheng Haijin | Director |
| Qi Guancheng | Director |
| Chen Weiming | Supervisor |
| Zhang Yumin | Supervisor |
| Du Xuezhi | Supervisor |
| Wang Hao | Executive |
| Xujiang | Executive |
| Zhou Lu | Executive |
| Li Fengyong | Executive |
| Zeng Xiaohu | Executive |
| Jiang Hua | Executive |
| Shenzhen Gangliyuan Investment Co., Ltd. | A company controlled by Wan Feng, the chairman of the Company |
| Beijing Tianrui Junfeng Investment Management Co., Ltd. | A company controlled or taking office by Wan Feng, the chairman of the Company |
| Shenzhen Qianhai Gangli No. 1 Investment Partnership (Limited Partnership) | A company invested or taking office by Wan Feng, the chairman of the Company |
| Shenzhen Dafusheng Trading Co., Ltd. | A company invested or taking office by Zeng Fanli, the independent director of the Company |
| Nanhai Shenghui New Energy (Guangdong) Co., Ltd. | A company invested or taking office by Zeng Fanli, the independent director of the Company |
| Shenzhen Yuehai Shenghui International Trade Co., Ltd. | A company invested or taking office by Zeng Fanli, the independent director of the Company |
| Baijiahui (Shenzhen) International Trading Co., Ltd. | A company taking office by Zeng Fanli, the independent director of the Company |
| Zhongrong Xiaoshan Cultural Development Co., Ltd. | A company invested or taking office by Zeng Fanli, the independent director of the Company |
| Shanghai Liansheng Technical Service Co., Ltd. | A company invested or taking office by Cheng Haijin, the chairman of the Company |
| Nanjing Tuniu Technology Co., Ltd. | Organization where Cheng Haijin, an Independent Director of the Company, serves |
| Shenzhen Siji Ganquan Food and Beverage Co., Ltd. | A company taking office by Chen Weiming, the supervisor of the Company works |
| PFI Fareast HK Limited | Company where Qi Guancheng, a Director of the Company, serves |
| Ruiheng Online Investment Co., Ltd. | Companies invested or taking office by Qi Guancheng, the director of the Company |

Other Notes:

## 5. Related transactions

### (1) Related transactions related to the purchase and sale of goods, provision and receipt of services

None.

### (2) Related trusteeship/ contracting and mandatory administration/ outsourcing situation

None.

### (3) Related leases

None.

### (4) Related guarantees

The Company acts as a guarantor

Unit: CNY

| Guaranteed party | Amount guaranteed | Start date of guarantee | Expiry date of guarantee | Has the guarantee been fulfilled? |
|---|---|---|---|---|
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 200,000.00 | August 1, 2022 | July 25, 2024 | Yes |
| CTI Engineering Testing Co., Ltd. | 166,100.00 | March 28, 2022 | December 31, 2025 | No |
| CTI Engineering Testing Co., Ltd. | 424,300.00 | March 28, 2022 | March 31, 2024 | Yes |
| CTI VESP Testing Technology Co., Ltd. | 7,776,445.00 | May 31, 2023 | October 27, 2026 | No |
| CTI Engineering Testing Co., Ltd. | 537,400.00 | August 18, 2023 | August 17, 2024 | Yes |
| CTI Engineering Testing Co., Ltd. | 312,500.00 | December 27, 2023 | December 31, 2024 | Yes |
| CTI Engineering Testing Co., Ltd. | 159,000.00 | December 27, 2023 | December 31, 2024 | Yes |
| Total | 9,575,745.00 | | | |

The Company as the guaranteed party

Unit: CNY

| Guarantor | Amount guaranteed | Start date of guarantee | Expiry date of guarantee | Has the guarantee been fulfilled? |
|---|---|---|---|---|

Description of related guarantees

### (5) Fund lending from related parties

### (6) Asset transfer and debt restructuring of related parties

### (7) Remuneration of key management personnel

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Remuneration of key management personnel | 17,915,800.00 | 18,343,600.00 |

### (8) Other related transactions

### 6. Receivables and payables from related parties

### (1) Receivables

### (2) Payables

Unit: CNY

| Project name | Related party | Closing book balance | Opening book balance |
|---|---|---|---|
| Other payables | Wan Feng | 376,000.00 | 752,000.00 |
| Other payables | Qian Feng | 3,792,226.24 | 3,792,226.24 |
| Other payables | Shentu Xianzhong | 3,944,628.98 | 3,944,628.98 |
| Other payables | Du Xuezhi | 3,522.03 | 3,522.03 |
| Other payables | Li Fengyong | | 37,723.00 |

### 7. Related party commitments

### 8. Others

## XV. Share-based payment

### 1. Overall situation of share-based payment

□ Applicable ☑ Not applicable

### 2. Equity-settled share-based payments

☑ Applicable □ Not applicable

Unit: CNY

| | |
|---|---|
| Method for determining the fair value of equity instruments on the date of grant | Black-Scholes option pricing model |
| Basis for determining the number of exercisable equity instruments | On each balance sheet date during the waiting period, the best estimate is made based on the latest obtained changes in the number of exercisable equity instruments and other subsequent information, to correct the number of equity instruments expected to be exercisable. |
| Reasons for significant differences between current period estimates and previous period estimates | None |
| Cumulative amount of equity-settled share-based payments included in capital reserves | 30,105,353.27 |
| Total expenses recognized for equity-settled share-based payments in current period | 0.00 |

Other Notes:

1. On December 17, 2018, the 22nd meeting of the Company's fourth Board of Directors reviewed and approved the "Proposal on Granting Stock Options to Incentive Objects". The Company's Board of Directors believed that the granting conditions of stock options stipulated in the Company's 2018 stock option incentive plan have been met, and it was agreed to grant 20.65 million stock options to 38 incentive objects. The grant date is December 17, 2018, and the exercise price is CNY 6.13/share.

1) On December 25, 2019, the Company held the second meeting of the fifth Board of Directors, which reviewed and approved the "Proposal on Adjusting the Exercise Price of the 2018 Stock Option Incentive Plan". In accordance with relevant provisions of the "2018 Stock Option Incentive Plan (Draft)", due to the Company's implementation of equity distribution, the Board of Directors agreed to adjust the exercise price to CNY 6.095/share.

2) On May 15, 2020, the Company held the fifth meeting of the fifth Board of Directors, which reviewed and approved the "Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan". In accordance with relevant provisions of the "2018 Stock Option Incentive Plan (Draft)", due to the Company's implementation of equity distribution, the Board of Directors agreed to adjust the exercise price to CNY 6.06/share.

3) On May 20, 2021, the Company held the 15th meeting of the fifth Board of Directors, which reviewed and approved the "Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan". In accordance with relevant provisions of the "2018 Stock Option Incentive Plan (Draft)", due to the Company's implementation of equity distribution, the Board of Directors agreed to adjust the exercise price to CNY 6.025/share.

4) On May 20, 2022, the Company held the 25th meeting of the fifth Board of Directors, which reviewed and approved the "Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan". In accordance with relevant provisions of the "2018 Stock Option Incentive Plan (Draft)", due to the Company's implementation of equity distribution, the Board of Directors agreed to adjust the exercise price to CNY 5.965/share.

2. On May 20, 2019, the 27nd meeting of the Company's fourth Board of Directors reviewed and approved the "Proposal on Granting Stock Options to Incentive Persons". The Company's Board of Directors believed that the granting conditions of stock options stipulated in the Company's 2019 stock option incentive plan have been met, and it was agreed to grant 4.70 million stock options to 9 incentive persons. The grant date is May 20, 2019, and the exercise price is CNY 9.23/share.

1) On May 15, 2020, the Company held the fifth meeting of the fifth Board of Directors, which reviewed and approved the "Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan". Due to the Company's implementation of the equity distribution plan for 2018 and 2019, the Board of Directors agreed to adjust the exercise price to CNY 9.16/share.

2) On May 20, 2021, the Company held the 15th meeting of the fifth Board of Directors, which reviewed and approved the "Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan". In accordance with relevant provisions of the "2018 Stock Option Incentive Plan (Draft)", due to the Company's implementation of equity distribution, the Board of Directors agreed to adjust the exercise price to CNY 9.125/share.

4) On May 20, 2022, the Company held the 25th meeting of the fifth Board of Directors, which reviewed and approved the "Proposal on Adjusting the Exercise Price of the Stock Option Incentive Plan". In accordance with relevant provisions of the "2019 Stock Option Incentive Plan (Draft)", due to the Company's implementation of equity distribution, the Board of Directors agreed to adjust the exercise price to CNY 9.065/share.

### 3. Cash-settled share-based payments

□ Applicable ☑ Not applicable

### 4. Share-based payment expenses for this period

□ Applicable ☑ Not applicable

### 5. Modification and termination of share-based payments

### 6. Others

## XIV. Commitments and contingencies

### 1. Important commitments

Important commitments existing at the balance sheet date

In accordance with the signed irrevocable main operating lease contract, the total minimum rent payable by the Company in the next five years is CNY 327.9679 million.
In addition to the above commitments, as at December 31, 2024, the Company has no other major commitments that shall be but have not been disclosed.

### 2. Contingencies

### (1) Important contingencies existing on the balance sheet date

### (2) Where the Company has no important contingencies that need to be disclosed, it shall also be stated.

The Company has no important contingencies that need to be disclosed.

### 3. Others

## XVII. Events after the balance sheet date

### 1. Important non-adjustment matters

Unit: CNY

| Items | Content | Impact on financial position and operating results | Reasons for inability to estimate the impact |
|---|---|---|---|

### 2、Profit distribution

| | |
|---|---|
| To-be-distributed dividends for every 10 shares (CNY) | 1 |
| Number of to-be-distributed bonus shares for every 10 shares | 0 |
| Number of to-be-distributed shares converted from reserves for every 10 shares | 0 |
| Number of dividends for every 10 shares declared and distributed upon review and approval (yuan) | 1 |
| Number of bonus shares for every 10 shares declared and distributed upon review and approval | 0 |
| Number of shares converted from reserves for every 10 shares declared and distributed upon review and approval | 0 |
| Profit distribution plan | Based on the total share capital that can participate in profit distribution on the equity registration date when the Company implements the profit distribution plan (excluding shares in the |

| | |
|---|---|
| | special securities account for repurchase), a cash dividend of CNY 1 (tax included) will be distributed to all shareholders for every 10 shares; 0 bonus share will be given; and 0 share converted from capital reserve will be given to all shareholders for every 10 shares. From the announcement of this profit distribution plan to before its implementation, if the Company's total share capital participating in dividend distribution changes due to share repurchase, equity incentives, Employee Share Ownership Plans, etc., the distribution ratio will remain unchanged in the future. In the plan, the total share capital of the companies participating in dividend distribution on the equity registration date will be used as the base for profit distribution, and the total amount of dividends will be adjusted accordingly. The Company expects that the total distribution will not exceed the distributable profits on the financial statements. |

### 3. Sales return

### 4. Description of other events after balance sheet date

1. On July 2, 2024, the Company held the 16th meeting of the 6th Board of Directors, at which the *Proposal on the Share Repurchase Plan of the Company* was reviewed and approved. The Company plans to use its own funds to repurchase shares through centralized bidding, with the repurchased shares to be used for employee share ownership plans or equity incentives. The number of shares proposed to be repurchased is between 2 million and 3 million shares, at a repurchase price not exceeding CNY 16.83 per share. Based on the upper limit of 3 million shares and a repurchase price of CNY 16.83 per share, the estimated repurchase amount will not exceed CNY 50.49 million. The specific number of shares repurchased will be based on the actual number of shares repurchased at the end of the repurchase period. As of March 31, 2025, the Company had implemented a share repurchase through a dedicated securities account for repurchases via centralized bidding. The number of shares repurchased was 1,400,000, accounting for 0.0832% of the Company's total share capital. The highest transaction price was CNY 12.49 per share, the lowest was CNY 10.13 per share, the average transaction price was CNY 10.86 per share, and the total transaction amount was CNY 15.2067 million (excluding transaction fees).

2. On March 31, 2025, the Company held the 22nd meeting of the 6th Board of Directors, at which the *Fourth Employee Share Ownership Plan (Draft) and Summary of Centre Testing International Group Co., Ltd.* was reviewed and approved. The total number of participants in this employee share ownership plan does not exceed 60, with a total subscription not exceeding 3 million shares. Directors and senior management are participating in this employee share ownership plan, holding shares not exceeding 30% of the total shares of this employee share ownership plan. The shares are sourced from the A-share ordinary shares of Centre Testing International repurchased through the Company's dedicated repurchase account.

3. On March 31, 2025, the Company held the 22nd meeting of the 6th Board of Directors, at which the *Proposal on the Use of Idle Self-Owned Funds for Entrusted Financial Management* was reviewed and approved. The meeting agreed that the Company and its subsidiaries may use temporarily idle self-owned funds not exceeding CNY 1 billion for entrusted financial management without affecting normal operations. The aforementioned amount may be used on a rolling basis within 12 months from the date of board approval.

# XVIII. Other important matters

## 1. Correction of accounting errors in previous period: None

## 2. Debt restructuring: None

## 3. Assets replacement: None

## 4. Annuity plan: None

## 5. Termination of operations: None

## 6. Segmental information

### (1) Determination basis and accounting policies of reporting segments

The Company determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system. The Company's operating segments refer to components that meet the following conditions at the same time:

(1) This component is able to generate incomes and incur expenses in daily activities;

(2) The management is able to regularly evaluate the operating results of the component to decide to allocate resources to it and evaluate its performance;

(3) The Company is able to obtain relevant accounting information such as the financial situation, operating results and cash flow of the component.

The Company determines reporting segments based on operating segments, and operating components that meet any of the following conditions are determined as a reporting segment:

(1) The segment revenue of this operating segment accounts for 10% or more of the total revenue of all segments;

(2) The absolute amount of segment profits (losses) of the segment accounts for 10% or more of the absolute amount of the total profits of all profitable segments, or the absolute amount of the total losses of all loss-making segments, whichever is greater.

The Company's business is relatively monotonous, mainly providing testing services to clients. The management divides the overall business into five major sectors for management: trade assurance, consumer product testing, industrial testing, life sciences, medicine and medical services. Since a same entity may be engaged in two or more of the above five sectors at the same time, it is impossible to accurately calculate assets and liabilities based on the above sectors, therefore the Company does not disclose segment information.

2. Financial information of reporting segments

(1) External income by product

| Product sector | Amount incurred this period | | Amount incurred in previous period | |
|---|---|---|---|---|
| | Revenue | Cost | Revenue | Cost |
| Life sciences | 2,840,674,286.25 | 1,408,485,016.64 | 2,497,268,179.56 | 1,301,123,954.38 |
| Industrial testing | 1,204,062,501.84 | 659,165,712.02 | 1,091,422,743.17 | 615,951,081.58 |
| Consumer goods testing | 988,004,869.88 | 557,921,898.71 | 979,424,453.58 | 540,959,597.97 |

| Product sector | Amount incurred this period | | Amount incurred in previous period | |
|---|---|---|---|---|
| Trade assurance | 763,928,702.56 | 219,948,224.25 | 699,615,420.45 | 247,820,804.57 |
| Pharma and clinical services | 287,346,181.66 | 228,653,842.54 | 336,893,729.07 | 205,431,422.73 |
| Total | 6,084,016,542.19 | 3,074,174,694.16 | 5,604,624,525.83 | 2,911,286,861.23 |

(2) External income by region

| Region | Amount incurred this period | | Amount incurred in previous period | |
|---|---|---|---|---|
| | Revenue | Cost | Revenue | Cost |
| China | 5,717,234,611.54 | 2,803,646,620.86 | 5,260,049,516.85 | 2,697,209,281.99 |
| Outside China | 366,781,930.65 | 270,528,073.30 | 344,575,008.98 | 214,077,579.24 |
| Total | 6,084,016,542.19 | 3,074,174,694.16 | 5,604,624,525.83 | 2,911,286,861.23 |

**(2) Financial information of reporting segments**

**(3) Where the Company has no reportable segments, or fails to disclose the total assets and total liabilities of each reporting segment, the reasons shall be explained**

**(4) Other descriptions**

**7. Other important transactions and matters that have an impact on investors' decision-making**

**8. Others**

## XIX. Notes on major items of the parent company's financial statements

**1. Accounts receivable**

**(1) Disclosure by aging**

Unit: CNY

| Aging | Closing book balance | Opening book balance |
|---|---|---|
| Within 1 year (inclusive) | 453,539,193.72 | 398,940,570.53 |
| 1 to 2 years | 27,366,289.04 | 19,272,438.03 |
| 2 to 3 years | 10,541,258.17 | 7,520,841.35 |
| Over 3 years | 5,945,092.15 | 732,693.61 |
| 3 to 4 years | 5,609,930.44 | 592,395.17 |
| 4 to 5 years | 295,863.27 | 90,298.44 |
| Over 5 years | 39,298.44 | 50,000.00 |
| Total | 497,391,833.08 | 426,466,543.52 |

## (2) Disclosure by bad debt provision method

Unit: CNY

| Classification | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | provision for bad debts | | Book value | Book balance | | provision for bad debts | | Book value |
| | Amount | Proportion | Amount | Proportion | | Amount | Proportion | Amount | Proportion | |
| Individually assessed bad debt provision for accounts receivable | 3,728,129.47 | 0.75% | 3,728,129.47 | 100.00% | | 3,759,705.35 | 0.88% | 3,759,705.35 | 100.00% | 0.00 |
| Including: | | | | | | | | | | |
| Group-based bad debt provision for accounts receivable | 493,663,703.61 | 99.25% | 29,995,065.59 | 6.08% | 463,668,638.02 | 422,706,838.17 | 99.12% | 20,057,968.25 | 4.75% | 402,648,869.92 |
| Including: | | | | | | | | | | |
| Related party combinations within the scope of consolidation | 178,239,058.94 | 35.83% | | | 178,239,058.94 | 157,845,112.51 | 37.01% | | | 157,845,112.51 |
| Aging portfolio | 315,424,644.67 | 63.42% | 29,995,065.59 | 9.51% | 285,429,579.08 | 264,861,725.66 | 62.11% | 20,057,968.25 | 7.57% | 244,803,757.41 |
| Total | 497,391,833.08 | 100.00% | 33,723,195.06 | 6.78% | 463,668,638.02 | 426,466,543.52 | 100.00% | 23,817,673.60 | 5.58% | 402,648,869.92 |

Provision for doubtful accounts on an individual basis: 3,728,129.47

Unit: CNY

| Name | Opening balance | | Closing balance | | | |
|---|---|---|---|---|---|---|
| | Book balance | provision for bad debts | Book balance | provision for bad debts | Proportion | Individually assessed bad debt provision: |
| Accounts receivable with single provision for expected credit losses | 3,759,705.35 | 3,759,705.35 | 3,728,129.47 | 3,728,129.47 | 100.00% | Expected to be uncollectible |
| Total | 3,759,705.35 | 3,759,705.35 | 3,728,129.47 | 3,728,129.47 | | |

Group-based bad debt provision: 29,995,065.59

Unit: CNY

| Name | Closing balance | | |
|---|---|---|---|
| | Book balance | provision for bad debts | Proportion |
| Related party combinations within the scope of consolidation | 178,239,058.94 | | |
| Aging portfolio | 315,424,644.67 | 29,995,065.59 | 9.51% |
| Total | 493,663,703.61 | 29,995,065.59 | |

Explanation for basis of group determination:

The balance of related-party combinations within the consolidated scope at the end of the period is CNY 178,239,058.94.

If bad debt provisions for accounts receivable are calculated using the general expected credit loss model:

□ Applicable ☑ Not applicable

### (3) Bad debt provisions during the current period

Bad debt provisions for the current period:

Unit: CNY

| Classification | Opening balance | Change in current period | | | | Closing balance |
|---|---|---|---|---|---|---|
| | | Provision | Recovered or reversed | Written off | Others | |
| Accounts receivable with individual provisions for bad debts | 3,759,705.35 | 20,748.00 | 560.00 | 51,763.88 | | 3,728,129.47 |
| Group-based bad debt provision for accounts receivable | 20,057,968.25 | 10,327,479.22 | | 391,441.88 | 1,060.00 | 29,995,065.59 |
| Total | 23,817,673.60 | 10,348,227.22 | 560.00 | 443,205.76 | 1,060.00 | 33,723,195.06 |

Significant amount of bad debt provisions recovered or reversed during the current period:

Unit: CNY

| Name of organization | Amount recovered or reversed | Reason for reverse | Recovery method | The basis for determining the original provision ratio for bad debts and its rationality |
|---|---|---|---|---|

### (4) Actual write-offs of accounts receivable during the current period

Unit: CNY

| Items | Write-off amounts |
|---|---|
| Accounts receivable actually written off | 443,205.76 |

Significant write-offs of accounts receivable include:

Unit: CNY

| Name of organization | Nature of accounts receivable | Write-off amounts | Reason for write-off | Write-off procedures performed | Whether the payment is generated by related transactions |
|---|---|---|---|---|---|

Descriptions for writing off accounts receivable:

### (5) Top five accounts receivable and contract assets by debtor at the end of the period

Unit: CNY

| Name of organization | Ending balance of accounts receivable | Ending balance of contract assets | Ending balance of accounts receivable and contract assets | Proportion of the total ending balance of accounts receivable and contract assets | Ending balance of accounts receivable bad debt provisions and contract asset impairment provisions |
|---|---|---|---|---|---|
| First place | 89,537,082.75 | | 89,537,082.75 | 16.63% | 0.00 |
| Second place | 63,784,816.42 | | 63,784,816.42 | 11.85% | 0.00 |

| | | | | | |
|---|---|---|---|---|---|
| Third place | 16,128,073.98 | | 16,128,073.98 | 3.00% | 1,624.24 |
| Fourth place | 4,058,648.59 | 3,929,767.82 | 7,988,416.41 | 1.48% | 399,420.84 |
| Fifth place | | 6,840,713.50 | 6,840,713.50 | 1.27% | 342,035.68 |
| Total | 173,508,621.74 | 10,770,481.32 | 184,279,103.06 | 34.23% | 743,080.76 |

## 2. Other receivables

Unit: CNY

| Items | Closing balance | Opening balance |
|---|---|---|
| Interests receivable | 0.00 | 0.00 |
| Dividends receivable | 276,168,721.25 | 256,468,721.25 |
| Other receivables | 492,729,520.63 | 499,811,577.72 |
| Total | 768,898,241.88 | 756,280,298.97 |

**(1) Interest receivable**

None.

**(2) Dividends receivable**

**1) Classification of dividends receivable**

Unit: CNY

| Project (or investee) | Closing balance | Opening balance |
|---|---|---|
| Shenzhen CTI Testing Co., Ltd. | 92,508,721.25 | 92,508,721.25 |
| Suzhou CTI Testing Technology Co., Ltd. | 23,160,000.00 | 15,960,000.00 |
| CTI Southern Pinbiao Testing (Shenzhen) Co., Ltd. | 91,000,000.00 | 91,000,000.00 |
| CTI Pindong Testing (Shanghai) Co., Ltd. | 39,500,000.00 | 39,500,000.00 |
| CTI Northern Pinbiao Testing (Beijing) Co., Ltd. | 30,000,000.00 | 17,500,000.00 |
| Total | 276,168,721.25 | 256,468,721.25 |

**2) Important dividends receivable aged more than 1 year**

Unit: CNY

| Project (or investee) | Closing balance | Aging | Reasons for non-collection | Whether impairment has occurred and basis for judgment |
|---|---|---|---|---|

**3) Disclosure by bad debt provision method**

□ Applicable ☑ Not applicable

**4) Bad debt provisions accrued, recovered or reversed in current period**

**5) Dividends receivable actually written off in current period**

**(3) Other receivables**

**1) Classification of other receivables by nature of items**

Unit: CNY

| Nature of items | Closing book balance | Opening book balance |
|---|---|---|
| Deposits and guarantees | 12,370,028.24 | 10,864,796.37 |
| Suspense payments receivable | 481,001,578.85 | 489,630,542.87 |
| Others | 36,782.46 | 7,577.80 |
| Total | 493,408,389.55 | 500,502,917.04 |

**2) Disclosure by aging**

Unit: CNY

| Aging | Closing book balance | Opening book balance |
|---|---|---|
| Within 1 year (inclusive) | 486,040,184.17 | 493,094,088.39 |
| 1 to 2 years | 1,126,474.62 | 1,460,577.32 |
| 2 to 3 years | 615,294.61 | 1,538,475.78 |
| Over 3 years | 5,626,436.15 | 4,409,775.55 |
| 3 to 4 years | 1,340,910.73 | 2,554,738.95 |
| 4 to 5 years | 2,546,348.82 | 79,800.00 |
| Over 5 years | 1,739,176.60 | 1,775,236.60 |
| Total | 493,408,389.55 | 500,502,917.04 |

**3) Disclosure by bad debt provision method**

Unit: CNY

| Classification | Closing balance | | | | | Opening balance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | provision for bad debts | | Book value | Book balance | | provision for bad debts | | Book value |
| | Amount | Proportion | Amount | Proportion | | Amount | Proportion | Amount | Proportion | |
| Provision for doubtful accounts on an individual basis | 800.00 | 0.00% | 800.00 | 100.00% | | | | | | |
| Including: | | | | | | | | | | |
| Group-based bad debt provision | 493,407,589.55 | 100.00% | 678,068.92 | 0.14% | 492,729,520.63 | 500,502,917.04 | 100.00% | 691,339.32 | 0.14% | 499,811,577.72 |
| Including: | | | | | | | | | | |
| Intra-group transactions and security deposits portfolio | 491,879,484.30 | 99.69% | 590,323.58 | 0.12% | 491,289,160.72 | 499,330,763.58 | 99.77% | 621,391.58 | 0.12% | 498,709,372.00 |
| Aging portfolio | 1,528,105.25 | 0.31% | 87,745.34 | 5.74% | 1,440,359.91 | 1,172,153.46 | 0.23% | 69,947.74 | 5.97% | 1,102,205.72 |
| Total | 493,408,389.55 | 100.00% | 678,868.92 | 0.14% | 492,729,520.63 | 500,502,917.04 | 100.00% | 691,339.32 | 0.14% | 499,811,577.72 |

Provision for doubtful accounts on an individual basis: 800.00

Unit: CNY

| Name | Opening balance | | Closing balance | | | |
|---|---|---|---|---|---|---|
| | Book balance | provision for bad debts | Book balance | provision for bad debts | Proportion | Individually assessed bad debt provision: |
| Individually assessed accounts receivable with a book balance not exceeding CNY 500,000 | | | 800.00 | 800.00 | 100.00% | Uncollectible |
| Total | | | 800.00 | 800.00 | | |

Group-based bad debt provision: 678,068.92

Unit: CNY

| Name | Closing balance | | |
|---|---|---|---|
| | Book balance | provision for bad debts | Proportion |
| Intra-group transactions and security deposits portfolio | 491,879,484.30 | 590,323.58 | 0.12% |
| Aging portfolio | 1,528,105.25 | 87,745.34 | 5.74% |
| Total | 493,407,589.55 | 678,068.92 | |

Explanation for basis of group determination:

Provision for bad debts recorded according to the expected credit loss general model:

Unit: CNY

| provision for bad debts | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| | Expected credit losses for the next 12 months | Expected credit losses over the entire existence period (unrealized credit impairment) | Expected credit losses over the entire existence period (realized credit impairment) | |
| Balance on January 1, 2024 | 691,339.32 | | | 691,339.32 |
| Balance on January 1, 2024 in this period | | | | |
| Provision for the current period | | | 800.00 | 800.00 |
| Reversal in the current period | 13,270.40 | | | 13,270.40 |
| Balance on December 31, 2024 | 678,068.92 | | 800.00 | 678,868.92 |

Basis for each stage division and provisioning ratios for bad debt allowance

Significant changes in book balances with major variations in provision for losses this period

□ Applicable ☑ Not applicable

**4) Bad debt provisions during the current period**

Bad debt provisions for the current period:

Unit: CNY

| Classification | Opening | Change in current period | Closing balance |
|---|---|---|---|

| | balance | Provision | Recovered or reversed | Write-off or cancellation | Others | |
|---|---|---|---|---|---|---|
| Provision for doubtful accounts on an individual basis | | 800.00 | | | | 800.00 |
| Group-based bad debt provision Determining expected credit losses Other receivables | 691,339.32 | | 13,270.40 | | | 678,068.92 |
| Total | 691,339.32 | 800.00 | 13,270.40 | | | 678,868.92 |

Significant amount of bad debt provisions reversed or recovered during the current period:

Unit: CNY

| Name of organization | Amount recovered or reversed | Reason for reverse | Recovery method | The basis for determining the original provision ratio for bad debts and its rationality |
|---|---|---|---|---|

**5) Actual write-offs of other accounts receivable during the current period**

Unit: CNY

| Items | Write-off amounts |
|---|---|

Significant write-offs of other accounts receivable include:

Unit: CNY

| Name of organization | Nature of other receivables | Write-off amounts | Reason for write-off | Write-off procedures performed | Whether the payment is generated by related transactions |
|---|---|---|---|---|---|

Explanation for the write-off of other receivables:

**6) Top five other accounts receivable by debtor at the end of the period**

Unit: CNY

| Name of organization | Nature of items | Closing balance | Aging | Proportion of the total ending balance of other accounts receivable | Ending balance of provision for bad debts |
|---|---|---|---|---|---|
| First place | Suspense payments receivable | 181,291,688.68 | Within 1 year | 36.74% | |
| Second place | Suspense payments receivable | 119,851,526.00 | Within 1 year | 24.29% | |
| Third place | Suspense payments receivable | 82,450,865.46 | Within 1 year | 16.71% | |
| Fourth place | Suspense payments | 76,496,224.55 | Within 1 year | 15.50% | |

| | | | | | |
|---|---|---|---|---|---|
| | receivable | | | | |
| Fifth place | Suspense payments receivable | 9,589,721.39 | Within 1 year | 1.94% | |
| Total | | 469,680,026.08 | | 95.18% | |

**7) Other receivables presented due to centralized management of funds**

Unit: CNY

Other Notes:

## 3. Long-term equity investments

Unit: CNY

| Items | Closing balance | | | Opening balance | | |
|---|---|---|---|---|---|---|
| | Book balance | Provision for impairment | Book value | Book balance | Provision for impairment | Book value |
| Investment in subsidiaries | 3,589,056,625.79 | 147,018,373.06 | 3,442,038,252.73 | 3,100,620,258.72 | 147,018,373.06 | 2,953,601,885.66 |
| Investment in associated businesses and joint ventures | 360,889,838.98 | | 360,889,838.98 | 334,758,706.15 | | 334,758,706.15 |
| Total | 3,949,946,464.77 | 147,018,373.06 | 3,802,928,091.71 | 3,435,378,964.87 | 147,018,373.06 | 3,288,360,591.81 |

### (1) Investment in subsidiaries

Unit: CNY

| Investee | Opening balance (book value) | Opening balance of impairment provisions | Change in the current period | | | | Closing balance (book value) | Ending balance of impairment provisions |
|---|---|---|---|---|---|---|---|---|
| | | | Increased investments | Reduced investments | Provision for impairment | Others | | |
| Shenzhen CTI Testing Co., Ltd. | 20,942,247.47 | | | | | | 20,942,247.47 | |
| Centre Testing International Beijing Co., Ltd. | 50,000,000.00 | | | | | | 50,000,000.00 | |
| CTI Holding (Hong Kong) Co., Ltd. | 259,722,751.14 | | 341,435,041.10 | | | | 601,157,792.24 | |
| Suzhou CTI Testing Technology Co., Ltd. | 190,000,000.00 | | | | | | 190,000,000.00 | |
| Qingdao CTI Testing Technology Co., Ltd. | 6,000,000.00 | | | | | | 6,000,000.00 | |
| Shanghai CTI Pinbiao Testing Technology Co., Ltd. | 24,304,111.00 | | | | | | 24,304,111.00 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Shenzhen CTI Commodity Inspection Co., Ltd. | 4,186,136.80 | | | | | | 4,186,136.80 | |
| Guangdong CTI Forensic Identification Center | 500,000.00 | | | | | | 500,000.00 | |
| Shenzhen CTI Training Center | 2,002,600.30 | | | | | | 2,002,600.30 | |
| Wuhan CTI Testing Technology Co., Ltd. | 20,000,000.00 | | | 20,000,000.00 | | | 0.00 | |
| Shenzhen CTI Standard Material Research Institute | 200,000.00 | | | | | | 200,000.00 | |
| Shenzhen CTI Private Equity Fund Management Co., Ltd. | 20,000,000.00 | | | | | | 20,000,000.00 | |
| Shenzhen CTI Information Technology Co., Ltd. | 10,800,000.00 | | | | | | 10,800,000.00 | |
| Hangzhou Hua'an Testing Technology Co., Ltd. | 87,155,300.00 | 142,054,700.00 | | | | | 87,155,300.00 | 142,054,700.00 |
| Shanghai CTI Pinzheng Testing Technology Co., Ltd. | 377,000,000.00 | | | | | | 377,000,000.00 | |
| Tianjin CTI Certification Co., Ltd. | 112,797,960.00 | | | | | | 112,797,960.00 | |
| CTI Engineering Testing Co., Ltd. | 41,921,200.00 | | 6,000,000.00 | | | | 47,921,200.00 | |
| Ningbo Weizhi Testing Technology Services Co., Ltd. | 43,867,526.63 | | | | | | 43,867,526.63 | |
| Shenzhen CTI Pest Management Co., Ltd. | 2,010,000.00 | | 323,546.93 | | | | 2,333,546.93 | |
| Shenzhen CTI Laboratory Technology Services Co., Ltd. | 6,700,000.00 | | 6,700,000.00 | | | | 13,400,000.00 | |
| CTI Electronic Certification | 71,000,000.00 | | | | | | 71,000,000.00 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Co., Ltd. | | | | | | | | |
| Fujian Shangwei Testing Co., Ltd. | 6,766,326.94 | 4,963,673.06 | | | | | 6,766,326.94 | 4,963,673.06 |
| Sichuan CTI Jianxin Testing Technology Co., Ltd. | 14,940,000.00 | | | | | | 14,940,000.00 | |
| Shenyang CTI Testing Technology Co., Ltd. | 18,500,000.00 | | | | | | 18,500,000.00 | |
| Ningguo CTI Testing Technology Co., Ltd. | 3,580,000.00 | | | 3,580,000.00 | | | 0.00 | |
| Guangzhou CTI Testing and Certification Technology Co., Ltd. | 164,283,670.11 | | | | | | 164,283,670.11 | |
| Inner Mongolia CTI Quality Inspection Service Co., Ltd. | 19,000,000.00 | | | | | | 19,000,000.00 | |
| Suzhou CTI Engineering Testing Co., Ltd. | 7,500,000.00 | | | | | | 7,500,000.00 | |
| Shenzhen CTI Standard Material Research Center Co., Ltd. | 1,000,000.00 | | | | | | 1,000,000.00 | |
| Dongguan CTI Testing and Certification Co., Ltd. | 17,000,000.00 | | | | | | 17,000,000.00 | |
| Shanghai CTI Zhike Materials Technology Co., Ltd. | 7,000,000.00 | | 3,000,000.00 | 10,000,000.00 | | | 0.00 | |
| Hebei CTI Junrui Testing Technology Co., Ltd. | 3,379,700.00 | | 1,360,000.00 | | | | 4,739,700.00 | |
| Henan CTI Quantong Engineering Testing Co., Ltd. | 8,000,000.00 | | | 8,000,000.00 | | | 0.00 | |
| Zhejiang CTI Yuanjian Testing Co., Ltd. | 9,614,800.00 | | | | | | 9,614,800.00 | |
| Chengdu Xijiao CTI | 4,200,000.00 | | | | | | 4,200,000.00 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rail Transit Technology Co., Ltd. | | | | | | | | |
| Shanghai CTI Pinchuang Medical Testing Co., Ltd. | 319,546,000.00 | | | | | | 319,546,000.00 | |
| Centre Testing International Hubei Co., Ltd. | 18,000,000.00 | | | | | | 18,000,000.00 | |
| Haotu Enterprise Management Consulting (Shanghai) Co., Ltd. | 21,545,194.61 | | 15,525,806.00 | | | | 37,071,000.61 | |
| Jiangxi Yingyong CTI Testing Co., Ltd. | 4,990,000.00 | | | | | | 4,990,000.00 | |
| CTI Guoruan Technology Services Nanjing Co., Ltd. | 1,170,000.00 | | | | | | 1,170,000.00 | |
| CTI Southern Pinbiao Testing (Shenzhen) Co., Ltd. | 232,000,000.00 | | | | | | 232,000,000.00 | |
| CTI Pindong Testing (Shanghai) Co., Ltd. | 132,000,000.00 | | | | | | 132,000,000.00 | |
| CTI Northern Pinbiao Testing (Beijing) Co., Ltd. | 268,572,600.00 | | 20,000,000.00 | | | | 288,572,600.00 | |
| Jilin Anxin Food Technology Services Co., Ltd. | 7,134,260.00 | | | | | | 7,134,260.00 | |
| CTI (Nantong) Automotive Technology Services Co., Ltd. | 36,900,000.00 | | | | | | 36,900,000.00 | |
| Sichuan CTI Testing Technology Co., Ltd. | 10,000,000.00 | | | | | | 10,000,000.00 | |
| CTI VESP Testing Technology Co., Ltd. | 256,570,034.74 | | 63,000,000.00 | | | | 319,570,034.74 | |
| Xipai Technology (Nanjing) Co., Ltd. | 9,299,465.92 | | 10,000,000.00 | | | | 19,299,465.92 | |
| Centre Testing | | | 271,480.00 | | | | 271,480.00 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| International (Holdings) Pte Ltd. | | | | | | | | |
| CTI Pinbiao Energy Technology Services (Beijing) Co., Ltd. | | | 2,402,100.00 | | | | 2,402,100.00 | |
| CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd. | | | 984,300.00 | | | | 984,300.00 | |
| Greater Asia Pacific Limited | | | 59,014,093.04 | | | | 59,014,093.04 | |
| Total | 2,953,601,885.66 | 147,018,373.06 | 530,016,367.07 | 41,580,000.00 | | | 3,442,038,252.73 | 147,018,373.06 |

## (2) Investment in associated businesses and joint ventures

Unit: CNY

| Investee | Opening balance (book value) | Opening balance of impairment provisions | Change in the current period | | | | | | | | Closing balance (book value) | Ending balance of impairment provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Increased investments | Reduced investments | Equity method recognized investment profit or loss | Adjustment for other comprehensive income | Other changes in equity | Declaration of cash dividends or profits | Provision for impairment | Others | | |
| I. Joint venture | | | | | | | | | | | | |
| II. Jointly controlled entities | | | | | | | | | | | | |
| Xi'an Dongyi Comprehensive Technology Laboratory Co., Ltd. | 9,452,381.15 | | | | 439,950.68 | | | | | | 9,892,331.83 | |
| Beijing Guoxin Tianyuan Quality Evaluation Certification Co., Ltd. | 15,339,137.61 | | | | 659,738.39 | | | | | | 15,998,876.00 | |
| Shanghai Fushenlan Software Co., Ltd. | 77,652,495.45 | | | | -6,780,399.36 | | | | | | 70,872,096.09 | |
| Beijing Zhuoshi Network Security Technology Co., Ltd. | 69,984,165.26 | | | | 13,773,472.40 | | | 5,092,639.96 | | | 78,664,997.70 | |
| Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd. | 160,746,591.98 | | | | 34,004,303.34 | | | 10,400,000.00 | | | 184,350,895.32 | |
| Nanjing Huace Pharmaceutical Technology Service Co., Ltd. | 1,110,642.04 | | | | | | | | | | 1,110,642.04 | |
| Shenzhen Huacheng Kangda Investment Partnership (Limited Partnership) | 473,292.66 | | | 473,292.66 | | | | | | | | |
| Subtotal | 334,758,706.15 | | | 473,292.66 | 42,097,065.45 | | | 15,492,639.96 | | | 360,889,838.98 | |
| Total | 334,758,706.15 | | | 473,292.66 | 42,097,065.45 | | | 15,492,639.96 | | | 360,889,838.98 | |

The recoverable amount is determined by subtracting disposal costs from the fair value

□ Applicable ☑ Not applicable

The recoverable amount is determined by the present value of expected future cash flows

□ Applicable ☑ Not applicable

Reasons for the significant differences between the above information and the information or external factors used in impairment testing in previous years

Reasons for the significant differences between the information or assumptions used in impairment testing in previous years and the actual circumstances in the current year

### (3) Other descriptions

## 4. Operating revenue and operating cost

Unit: CNY

| Items | Amount incurred this period | | Amount incurred in previous period | |
|---|---|---|---|---|
| | Revenue | Cost | Revenue | Cost |
| Main business | 1,335,656,877.73 | 712,206,553.14 | 1,246,973,442.96 | 632,142,999.62 |
| Other business | 16,349,392.41 | 1,246,423.00 | 15,321,394.07 | 1,543,379.91 |
| Total | 1,352,006,270.14 | 713,452,976.14 | 1,262,294,837.03 | 633,686,379.53 |

Breakdown information of operating revenue and operating cost: None.

Information related to performance obligations:

Other descriptions

Information related to the transaction price distributed to the remaining performance obligations:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations of the contract signed that have not been performed or have not been performed completely is CNY 0.00, including CNY 0.00 expected to be recognized in year 0, CNY 0.00 expected to be recognized in year 0, and CNY 0.00 expected to be recognized in year 0.

Major changes of contract or major adjustments in transaction price

None.

## 5. Investment income

Unit: CNY

| Items | Amount incurred this period | Amount incurred in previous period |
|---|---|---|
| Long-term equity investment incomes calculated using the cost method | 246,287,151.01 | 476,388,000.00 |
| Long-term equity investment incomes calculated with the equity method | 42,097,065.45 | 40,016,345.16 |
| Investment incomes from disposal of long-term equity investments | -11,416,146.58 | -6,384,055.43 |
| Financial management incomes | 10,243,006.10 | 8,970,806.41 |
| Investment income obtained during the holding period of other non-current financial assets | | 1,073,000.00 |

| | | |
|---|---|---|
| Investment incomes from disposal of other non-current financial assets | 4,334,093.19 | 21,289,074.54 |
| Others | 67,000.00 | |
| Total | 291,612,169.17 | 541,353,170.68 |

### 6. Others

## XX. Supplementary information

### 1. Statement of non-recurring profits and losses of current period

☑ Applicable □ Not applicable

Unit: CNY

| Items | Amount | Description |
|---|---|---|
| Profits and losses on disposal of non-current assets | -2,124,326.71 | Profit and loss from disposal of fixed assets and investment incomes from disposal of long-term equity investments, etc. |
| Governmental subsidies included in the current profit and loss (excluding governmental subsidies that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed in accordance with determined standards, and have a lasting impact on the Company's profit and loss) | 50,415,470.31 | Government subsidies. |
| In addition to the effective hedging business related to the normal operation of the Company, the profit or loss of fair value changes from holding of financial assets and financial liabilities by non-financial enterprises and the profit or loss from disposal of financial assets and financial liabilities | 5,939,243.19 | Gains/losses from changes in the fair value of held/disposed other non-current financial assets, and gains/losses from changes in the fair value of financial liabilities held for trading, etc. |
| Profit and loss from entrusting others to invest or manage assets | 10,773,412.00 | Profit from financial products. |
| Reversal of impairment provision for accounts receivable that has been individually tested for impairment | 1,380,453.33 | |
| Other non-operating revenues and expenditures other than the above | 3,762,913.46 | |
| Less: Affected income tax amount | 6,697,711.69 | |
| Affected minority shareholders' interest amount (after-tax) | 2,805,014.16 | |
| Total | 60,644,439.73 | -- |

Specific conditions of other profit and loss items meeting the definition of non-recurring profit and loss:

□ Applicable ☑ Not applicable

The Company does not have any other specific conditions of profit and loss items meeting the definition of non-recurring profit and loss.

Description of the definition of non-recurring profit and loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure of Publicly Issued Securities Companies - Non-recurring Profit and Loss* as recurring profit and loss items

□ Applicable ☑ Not applicable

## 2. Return on equity and earnings per share

| Profit during the reporting period | ROE | Earnings per share | |
|---|---|---|---|
| | | Basic earnings per share (CNY/share) | Diluted earnings per share (CNY/share) |
| Net profits attributable to the Company's common stock holders | 14.07% | 0.5500 | 0.5500 |
| Net profits attributable to the Company's common stock holders after deducting non-recurring profits and losses | 13.14% | 0.5138 | 0.5138 |

## 3. Differences in accounting data under domestic and foreign accounting standards

### (1) Differences in net profits and net assets in financial reports disclosed in accordance with both international accounting standards and Chinese accounting standards

□ Applicable ☑ Not applicable

### (2) Differences in net profits and net assets in financial reports disclosed in accordance with both oversea accounting standards and Chinese accounting standards

□ Applicable ☑ Not applicable

### (3) Description of reasons for the differences in accounting data under domestic and oversea accounting standards; where differences are adjusted for data audited by an overseas auditing institution, the name of the overseas institution shall be indicated.

□ Applicable ☑ Not applicable

## 4. Others

**Centre Testing International Group Co., Ltd.**

**April 18, 2025**