Centre Testing International Group Co., Ltd.

2025 Annual Report

March 31, 2026

2025 Annual Report

Section 1 Important Notes, Table of Contents, and Definitions

The Company's Board of Directors, directors 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 core drivers and foundation for the survival and sustainable development of a testing, inspection, and certification (TIC) institution. Only by gaining client recognition for its technical competence and impartiality can an institution gradually expand its market share and consolidate its competitive advantages. If a quality issue arises that damages credibility and brand, the inspection and testing institution may face a loss of client trust, which would impact its business expansion and profitability. In severe cases, its testing and certification qualifications could be revoked, affecting the company's sustainable operations. The Company places great importance on maintaining its credibility and brand, actively promotes the core value of integrity, and has established a comprehensive quality control system to ensure the authenticity and accuracy of the test reports it issues, continuously improving the quality of its testing services. 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. The Group has established a hierarchical quality management organization. At the Group level, the QHSE Department takes overall responsibility for quality management and control. Each business division, subsidiary and operating outlet formulates and improves relevant systems based on its own business 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.

"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 ensure the adherence 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 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 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. In accordance with the *Articles of Association* and the *Working Rules of the Strategy and M&A Committee of the Board of Directors*, major investment matters are subject to review and control by the Investment Committee to demonstrate project feasibility. Such matters shall be submitted to the Strategy and ESG Committee of the Board of Directors, the Board of Directors and the Shareholders' Meeting for deliberation in line with the corresponding decision-making authority, which enhances the rationality and quality of the Company's major investment decisions. To mitigate risks in post-investment management, the Finance and Human Resources Departments have completed personnel preparation. Meanwhile, experts have been added to the lean management team, laying a solid foundation for delivering lean management capabilities in the future.

4. Risk of underperformance in laboratory investments

The testing industry enjoys a first-mover advantage. To accelerate its national footprint in the testing market, the Company has built a number of laboratories at international or domestic leading standards in recent years. Amid continuous innovation in new technologies and industries such as new energy, new materials, high-end equipment, artificial intelligence and life and health, the testing sector is presented with more opportunities as well as challenges. The Company has increased investment in the fields of pharmaceutical and healthcare, new materials testing, semiconductor chips, new energy vehicles and Internet of Vehicles, positioning itself for major mid-to-long term growth drivers. Laboratory construction can only enter formal operation upon completion of renovation, personnel recruitment, equipment procurement, qualification

assessment and certification. A certain period is required to achieve break-even. Underperformance in the production capacity of newly built laboratories may adversely affect the Company's profits. Going forward, the Company will focus on newly built laboratories, improve their operational efficiency, achieve gradual capacity release and scale effects, and realize steady growth in the Company's revenue and profit.

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

The profit distribution plan approved by the Board of Directors is as follows: Based on the total share capital entitled to profit distribution on the record date for the implementation of the profit distribution plan, the Company intends to distribute a cash dividend of CNY 1.50 for every 10 shares to all shareholders (tax-inclusive), with zero bonus shares (tax-inclusive) to be issued, and zero shares to be converted from capital reserve for every 10 shares to all shareholders.

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List of Documents 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 2025 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 Shareholders' Meeting	Refer(s) to	Shareholders and Shareholders' Meeting 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.
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. Testing processes and results are not influenced by clients or any external parties.
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, 2025 to December 31, 2025, January 1, 2024 to December 31, 2024
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, Guangdong		
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, Guangdong		
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	Lin Wanke 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

	2025	2024	Increase or decrease in the current year compared with last year	2023
Operating revenue (CNY)	6,620,735,906.71	6,084,016,542.19	8.82%	5,604,624,525.83
Net profit attributable to shareholders of the listed company (CNY)	1,016,418,093.67	921,073,108.56	10.35%	910,203,484.57
Net profit attributable to shareholders of the listed company after deduction of non- recurring profit and loss (CNY)	950,385,943.03	860,428,668.83	10.45%	783,729,247.84
Net cash flows from operating activities (CNY)	1,371,300,496.60	1,062,899,936.83	29.02%	1,122,394,756.87
Basic earnings per share (CNY/share)	0.6075	0.5500	10.45%	0.5474
Diluted earnings per share (CNY/share)	0.6075	0.5500	10.45%	0.5474
ROE	13.96%	14.07%	Decreased by 0.11 percentage points	15.55%
EBITDA (earnings before interest, taxes, depreciation, and amortization)	1,677,385,571.84	1,539,358,712.28	8.97%	1,521,161,965.79
	End of 2025	End of 2024	Increase or decrease at the end of the current year compared with the end of last year	End of 2023
Total assets (CNY)	10,379,101,079.04	9,452,604,079.86	9.80%	8,749,114,094.50
Net asset attributable to shareholders of the listed company (CNY)	7,673,017,639.13	6,913,388,893.02	10.99%	6,205,345,102.90

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

During the reporting period, the lowest of the Company's audited total profit, net profit, and net profit 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	0.6040

share capital (CNY/share)	

VI. Main financial indicators by quarter

Unit: CNY

	Q1	Q2	Q3	Q4
Operating revenue	1,286,784,490.74	1,673,166,045.27	1,741,788,532.92	1,918,996,837.78
Net profit attributable to shareholders of the listed company	136,192,319.03	331,088,368.90	344,959,410.92	204,177,994.82
Net profit attributable to shareholders of the listed company after deduction of non- recurring profit and loss	124,999,934.67	314,375,941.72	326,679,203.74	184,330,862.90
Net cash flows from operating activities	−89,935,338.73	264,739,016.83	421,350,582.39	775,146,236.11

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 overseas accounting standards

1. Differences between net profit and net assets in financial reports prepared in accordance with international financial reporting standards and Chinese accounting standards

☐Applicable ☑Not applicable

No differences exist between net profit and net assets presented in the Company’s financial reports under International Financial Reporting Standards and Chinese Accounting Standards during the reporting period.

2. Differences between net profit and net assets in financial reports prepared in accordance with overseas accounting standards and Chinese accounting standards

☐Applicable ☑Not applicable

No differences exist between net profit and net assets presented in the Company’s financial reports under overseas accounting standards and Chinese Accounting Standards during the reporting period.

VIII. Non-recurring profit and loss items and amounts

☑Applicable ☐Not applicable

Unit: CNY

Items	Amounts in 2025	Amounts in 2024	Amounts in 2023	Description
Gain or loss on disposal of non-current assets (including the reversal of provision for asset impairment that has been recognized)	1,205,185.73	−2,124,326.71	−2,424,535.41	Gain or loss on disposal of fixed assets and investment income from disposal of long-term equity investments, etc.

Government subsidies recognized in current profit or loss (excluding those closely related to the Company's normal business operations, in compliance with national policies, available according to specified standards, and having a sustained impact on the Company's profit or loss)	48,997,894.25	50,415,470.31	92,972,326.72	Government grants
Gains/Losses from changes at fair value of financial assets and financial liabilities held by a non-financial enterprise, and gain or loss from disposal of such financial assets and financial liabilities, excluding gains or losses from effective hedging activities related to the Company's normal business operations	14,609,931.16	5,939,243.19	37,289,526.75	Gains or losses from changes at fair value of other non-current financial assets held or disposed of, gains or losses from changes at fair value of transactional financial liabilities, etc.
Gains or losses from entrusting assets to others for investment or management	10,545,914.45	10,773,412.00	9,013,472.23	Gains from financial products
Reversal of provision for impairment of accounts receivable tested individually for impairment	535,733.49	1,380,453.33	613,961.57	
Other non-operating incomes and expenses other than the above items	1,443,182.43	3,762,913.46	7,975,277.91	
Less: Effect of income tax	8,976,748.10	6,697,711.69	16,276,339.25	
Effect on minority shareholders' equity (after tax)	2,328,942.77	2,805,014.16	2,689,453.79	
Total	66,032,150.64	60,644,439.73	126,474,236.73	--

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

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. The Company's main business during the reporting period

(I) Introduction to the Company's main business

During the reporting period, the Company's main businesses remained unchanged. The Company's operations are divided into five business segments by industry, with service capabilities comprehensively covering food and agricultural products, environment, construction engineering and industrial services, pharmaceuticals and medical services, metrology and calibration, new energy vehicles, shipping, chips and semiconductors, cosmetics and pet food, low-carbon environmental protection and green certification, rail transit and aviation materials, as well as related industries and their upstream and downstream supply chains. As of the end of the reporting period, the Company had established over 160 laboratories worldwide, issuing more than 4 million credible testing, inspection, and certification reports annually and serving over 100,000 global clients.

1. Food, agriculture, and health products services

The Food, Agriculture, and Health Products Business Unit is one of the Company's core divisions. It has established product lines and specialized teams covering food, agricultural products, specialty foods and daily chemicals, rapid testing, animal nutrition and health, certification and auditing, training centers, and the Food, Agriculture, and Health Products Research Institute. This has formed an independent, professional, and comprehensive laboratory service network across the country, providing comprehensive technical services for government regulatory bodies and food supply chain enterprises. The service scope covers planting and breeding, primary production, processing and packaging, storage and transportation, distribution and retail, import and export, and other segments. Based on testing, certification, auditing, training, and consulting services, the business unit actively participates in the research and development and risk management of food enterprises, offering one-stop quality management solutions for the food supply chain and providing full-process technical support for enterprise operations and supply chain management.

2. Environmental testing business

The Company is one of the earliest private third-party environmental testing institutions in China. Its service areas include ecological environment testing, environmental automatic monitoring, marine environment, occupational health, public health, industrial radiation, agricultural environment, soil census, judicial forensics, rail transit ecology, and environmental management in the petrochemical industry. It provides environmental monitoring and environmental, health, and safety technical services covering the entire territory of China and multiple sectors for governments, enterprises, and various organizations. To date, the Environmental Business Unit has achieved testing capabilities for over 5,000 items, with more than 3,500 test methods accredited and recognized. The Company's QA/QC program is developed based on the requirements of the National Ministry of Ecology and Environment of China and the U.S. Environmental Protection Agency (USEPA). Each year, the Company is invited to participate in proficiency testing activities organized by the CNAS and international organizations, consistently achieving excellent results and receiving high recognition from relevant bodies.

3. Construction engineering and industrial services

The Construction Engineering and Industrial Services Business Unit, through specialized divisions such as "CTI Industrial", "CTI Engineering", "CTI Materials", "CTI Rail Transit," and "CTI Fire Protection", is committed to providing one-stop services for related industries, including laboratory testing, BIM-based digital twin for construction, non-destructive testing, geological and geochemical analysis, inspection and certification, consulting, and project management. The Company offers comprehensive services for core sectors such as civil and public buildings, building materials, municipal engineering, and rail transit, while extending into specialized areas like geochemical assessment and fire-retardant materials, covering the entire industrial chain. Additionally, it focuses on subfields such as metallic and non-metallic materials, composite materials, industrial products, and complete equipment, utilizing BIM technology to drive digital innovation in the full lifecycle management of large-scale projects. With multiple laboratories and service outlets nationwide, equipped with advanced instruments and expert teams, the Company ensures accurate and efficient services, helping clients enhance quality control and project supervision capabilities, empowering the industry to improve competitiveness through digital twin technology, and working with clients to build quality benchmarks.

4. Metrology and digitization services

The Metrology and Digitization Business Unit is one of the Company's core divisions, covering metrology calibration, reference materials and proficiency testing, cybersecurity services, APP security testing, general software testing, penetration testing, code audit services, IT project supervision, laboratory design, construction, and CNAS accreditation consulting, digital certificates, and CA electronic authentication services and products for various scenarios. The business unit serves most provinces and cities across the country, meeting the multi-location service needs of major corporate clients.

5. Maritime and natural resources services

The Maritime and Natural Resources Business Unit is dedicated to providing international third-party inspection, testing, and consulting services in energy/energy efficiency, maritime environment, and engineering technology for global shipping enterprises, among others, and offering full lifecycle testing and technical services for the petrochemical industry. The Company is an ISO 17020-accredited inspection body and an ISO 17025-accredited laboratory. Its services include import and export commodity inspection, BQS and bunkering safety supervision, discharge water compliance services, IHM and IHM maintenance, asbestos-free surveys, ship recycling supervision, marine fuel quality testing (including biofuels and methanol), vehicle fuel testing, chemical product testing, natural gas testing, coal testing, industrial oil fluid monitoring, non-destructive testing and thickness measurement services, ESG sustainability reporting, ISCC-EU certification, and other one-stop services.

6. Technical services

The Technical Services Business Unit supports clients in ensuring product and service quality, building trust, and enhancing sustainable development performance through diversified third-party services, including management system certification, product certification, service certification, factory quality and environmental assessments, supply chain security assessments, inspection, and production process monitoring. Additionally, we provide sustainability services such as validation and verification of greenhouse gas emission reduction projects, carbon verification and carbon footprint certification, carbon peaking and carbon neutrality planning, carbon neutrality certification, sustainable hydropower project auditing, Environmental Product Declaration (EPD) certification, Higg FEM verification, ISCC International Sustainability and Carbon Certification, Global Recycled Standard (GRS/RCS/CCS) certification, ESG reporting and rating, social responsibility audits, green finance information disclosure, environmental consulting and environmental engineering management, and green development and evaluation. These services aim to help clients proactively address climate change, conserve energy, reduce carbon emissions, achieve ESG goals, and continuously enhance their global competitiveness.

7. Consumer products services

The Consumer Products Business Unit is committed to ensuring product safety in daily consumer goods and related fields. Its scope covers electronic and electrical appliances and their raw materials, chips, textiles and apparel, bags, footwear, safety protection products, toys, infant and children’s products, student supplies, furniture, food contact materials, general merchandise, and sports equipment. To better meet client needs and provide professional, convenient technical services, the unit has established specialized laboratories and service outlets in multiple cities across China, offering comprehensive one-stop solutions such as testing, certification, training, and consulting, thereby safeguarding green environmental protection and healthy living.

8. Automotive and metal material services

The Automotive and Metal Materials Business Unit provides quality monitoring for all stages of the automotive industry chain, from product R&D, manufacturing, and procurement to after-sales services. It offers solutions for known and potential risks within the industry chain. Services cover green environmental testing and chemical regulation compliance, automotive material testing, automotive component testing, automotive electronic product testing, automotive intelligent connected vehicle testing, vehicle inspection, second-party and third-party audits, and automotive chemical product testing. The unit has established service outlets in multiple cities across China and set up related laboratories in all major automotive industry clusters to better address client needs and provide timely technical services.

9. Electronics technology services

The Electronics Technology Business Unit operates laboratories for safety, energy efficiency, electromagnetic compatibility (EMC), and wireless radio frequency (RF), with ongoing expansions. Its service footprint spans cities including Shenzhen, Beijing, Shanghai, Kunshan, Ningbo, Hefei, and Changzhou. The unit serves product types such as electronic and electrical appliances, automotive electronics, intelligent transportation electronics, electric two-wheel mobility products, power equipment, machinery, and medical devices. Service offerings include safety and energy efficiency testing, EMC testing, automotive electronics EMC, wireless RF testing, on-site testing, Machinery Directive certification, and international and domestic certification services. Leveraging its comprehensive local testing capabilities, along with qualifications such as China CCC accreditation (Laboratory No. 16701), EU Notified Body certification (No. 2845), UK UKCA certification (No. 1942), and International Electrotechnical Commission (IEC) CB Scheme certification, the unit provides high-quality, efficient one-stop services for domestic and international clients, including local testing and independent certification issuance.

10. Pharmaceutical and medical services

The Pharmaceutical and Medical Business Unit covers areas such as pharmaceutical services, medical services, medical device services, and health management services. In the pharmaceutical field, it offers end-to-end solutions from drug R&D to commercialization, including preclinical CMC studies, non-clinical GLP toxicology research, clinical biological sample analysis, drug testing, and regulatory submission support. In the medical field, it provides clinical laboratory testing, health management genetic testing, functional medicine, and multi-omics research services. For medical devices, it offers technical support, regulatory submissions, testing and inspection, preclinical animal studies, clinical evaluation, and clinical trial services for both active and passive medical devices. In health management, it provides occupational health examinations and individual/group health check-ups.

(II) Overall business model of the Company

The Company’s overall business model is as follows: The R&D department studies national standards, industry standards, and key client-specific standards (enterprise standards) domestically and internationally, researching and developing new testing methods. By equipping facilities and personnel, defining operational processes, the Company enhances its testing capabilities and expands its testing scope. The marketing department leverages the Company’s strong brand reputation to proactively promote its testing services to clients, securing testing orders. After laboratory testing, the Company delivers data and issues testing reports.

II. Industrial overview during the reporting period

1. Development landscape of the inspection, testing, and certification industry

(1) Steady growth in operating revenue and efficiency

In 2024, China’s inspection, testing, and certification industry maintained stable development, achieving an annual operating revenue of CNY 487.597 billion, representing a year-on-year growth of 4.41%. Although the growth rate decelerated compared to 9.2% in 2023, the industry continued to optimize its development quality and enhance its operational efficiency. According to statistics released by the State Administration for Market Regulation, the average revenue per institution and per capita revenue in 2024 increased by 5.94% and 5.20%, respectively, reflecting a gradual strengthening of scale effects and sustained improvements in per capita productivity. The industry is steadily progressing towards high-quality and high-efficiency development. The core drivers behind the enhanced efficiency of the industry are twofold: On one hand, leading institutions have expanded their business scope and market reach by leveraging resource integration, technological innovation, and brand advantages, thereby boosting average institutional revenue. On the other hand, the industry as a whole has increasingly prioritized talent development, optimizing workforce structure, strengthening training, and refining incentive mechanisms. These measures have further enhanced per capita efficiency, driven per capita revenue growth, and injected long-term momentum into the industry's sustainable development.

(2) Institutional scale and growth trends

As of the end of 2024, China had 53,057 accredited inspection and testing institutions, a decrease of 1.44% year-on-year. Throughout the year, 553 million inspection and testing reports were issued, representing an 8.66% decline. This marks the first decrease in both the number of institutions and the volume of reports issued. From an institutional structure perspective, there were 7,972 medium and large-scale inspection and testing institutions with annual revenues exceeding 10 million yuan, accounting for 15.03% of the total institutions. These institutions contributed 81.24% of the industry's total operating revenues, highlighting an increasingly pronounced trend toward intensive and consolidated development. In terms of industry distribution, the number of institutions in emerging fields such as new energy, new materials, and intelligent equipment grew by 2.05%, while the number of institutions in traditional fields such as construction engineering, building materials, and motor vehicle inspection declined by 0.44%. This reflects ongoing structural optimization within the industry. These changes indicate that the industry is gradually transitioning from a phase of rapid expansion to a high-quality development cycle, shifting from incremental competition to stock-based competition. The industry is demonstrating positive momentum towards scale and intensification. In this context, competition among institutions is evolving from purely quantitative expansion to in-depth competition based on service quality, technical capabilities, and brand influence.

2. Development trends in the inspection, testing, and certification industry

Currently, China is undergoing economic restructuring and transition, characterized by a clear K-shaped differentiation in the external environment. The inspection, testing, and certification industry faces a landscape of both opportunities and challenges. From a macroeconomic perspective, as China's economy enters a phase dominated by existing market potential, the structural pains of deep economic adjustment and the "involution" phenomenon triggered by overcapacity are expected to persist. Development across various industries has generally slowed, which, to some extent, affects the short-term demand for inspection and testing services. Simultaneously, the stalling or reversal of globalization poses additional challenges to the industry.

Despite these challenges, the core value of inspection, testing, and certification services in supporting economic development and industrial upgrading remains unchanged. As economic operations continue to recover, the ongoing advancement of a new round of technological revolution and industrial transformation is expected to bring new development opportunities for the industry. Demand for inspection and testing services is likely to sustain its recovery, with mid- to long-term growth drivers remaining intact, underscoring the industry's inherent resilience.

Rapid technological advancement also presents new development opportunities for the industry. Emerging fields such as AI, humanoid robots, new energy vehicles, low-altitude economy, and information security are currently in a period of rapid growth. The rise of these sectors opens new avenues for business expansion within the inspection and testing industry, prompting continuous investment in technological R&D and innovation in testing technologies and service models to meet the diverse needs of rapidly developing new industries. The integration of AI technologies can enhance testing efficiency and accuracy, driving the industry's transition from traditional manual inspection to intelligent upgrades, thereby further strengthening its resilience.

Changes in China's social structure and the K-shaped differentiation in consumption jointly form an important foundation for the growth in demand for inspection and testing services. As the aging population trend accelerates, the silver economy is gradually emerging, driving increasing demand for inspection and testing in areas related to healthcare and the elderly care industry. Concurrently, the consumer sector exhibits a polarized trend characterized by "compressed survival consumption and expanding emotional consumption." While overall consumption shows rational adjustment, the public's pursuit of quality of life remains unchanged. Consumers' demand for product quality and safety continues to rise, with a growing willingness to pay for products that are authoritatively tested, inspected, and quality-assured. This encourages enterprises to place greater emphasis on product inspection and testing, thereby continuously generating industry demand.

The trend of traditional industry relocation and high-end industry export from China presents new development opportunities for the inspection and testing industry. As traditional industries relocate to other regions, inspection and testing institutions can leverage their professional service capabilities to provide comprehensive testing solutions, supporting the transformation and upgrading of these industries and simultaneously driving growth in related testing demand. Regarding high-end industry exports, as China's export scale of high-end manufacturing products continues to expand, enterprises require professional inspection and testing institutions to provide authoritative certification services to meet stringent international quality standards and personalized client requirements. This helps products establish a strong quality reputation in the international market and enhance global competitiveness, undoubtedly offering significant opportunities for the industry's international development.

Industry data indicates that the concentration of the inspection and testing industry is steadily increasing. Larger, more capable institutions are gradually gaining a competitive edge in the market, with market consolidation accelerating. The benefits of brand building, refined operations, and strategic M&As are becoming increasingly evident. On one hand, the industry must 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 demands of new industries. On the other hand, it shall strengthen brand building, improve service quality and client satisfaction, establish a positive brand image, and enhance market competitiveness. Additionally, by utilizing strategic M&As, the industry can achieve optimized resource allocation and scale expansion, thereby improving overall intensification. The industry shall also closely monitor policy guidance, keep pace with national strategies such as building a quality-strong nation and green development, accurately enter key development areas, and provide solid technical support for the sustainable development of the economy and society, achieving high-quality and sustainable industry growth.

III. Analysis of core competitiveness

1. Brand and credibility advantages

As an independent third-party inspection and testing institution, brand reputation and credibility are fundamental to the Company's survival and development. The Company upholds the values of "Integrity, Teamwork, Excellence, Innovation, and Client First", with a mission to "Deliver Trust for Quality Life". It is fully committed to ensuring quality and safety, striving to realize the vision that "CTI is everywhere in your life". The Company has established a laboratory management system in accordance with ISO/IEC 17025 and an inspection body management system based on ISO/IEC 17020. It holds accreditation from the China National Accreditation Service for Conformity Assessment (CNAS) and certification for metrology accreditation (CMA). The Company is also a designated certification body for China Compulsory Certification (CCC) and a Notified Body (NB) for the European Union. Additionally, it is a Full Member of the Association of Professional Social Compliance Auditors (APSCA), a CE certification body for PPE products in the EU, an inspection body recognized by FOSTA, an authorized testing institution by the South African Bureau of Standards, and the only testing institution in China accredited by the Global Carbon Council (GCC). The Company possesses full certification and testing laboratory qualifications for CCC-certified toys and children's vehicles. These comprehensive accreditations and recognitions form the cornerstone of the credibility of the Company's testing reports.

The Company relies on an internationally top-tier Laboratory Information Management System (LIMS) to manage laboratory personnel, equipment, materials, testing methods, and client samples. This system ensures standardized management throughout the entire process of sample handling and testing in the laboratory. Using codes and barcodes, the LIMS tracks samples throughout their workflow, concealing critical information such as product brands and manufacturers. Sample labels remain invisible, ensuring that personnel involved at each stage cannot identify the actual provider or client of the sample, effectively preventing fraudulent activities such as data tampering. Moreover, the system digitizes laboratory processes, enabling paperless laboratory operations. It facilitates the organization, analysis, processing, and querying of experimental data, as well as comprehensive management of quality activities during experiments, ensuring the authenticity and reliability of issued reports.

Throughout its development, the Company has consistently adhered to the fundamental principle of "maintaining operational integrity and independence of judgment". It strictly complies with standards such as ISO/IEC 17025, ISO/IEC 17020, the *Review Guidelines for Accreditation of Inspection and Testing Institutions*, and the Company's internal *Group Quality Supervision and Management Measures* to establish a robust quality management system. Through multidimensional measures such as evaluating the quality management maturity of subsidiaries, implementing three-tier quality supervision, conducting internal audits, and performing management reviews, the Company fully implements group-wide quality management requirements, ensuring the accuracy and authenticity of testing services and solidifying the foundation of its brand and credibility.

The Company has established a tiered quality management organizational structure. At the group level, the QHSE Department oversees quality control, while each business unit, subsidiary, and operational outlet refines systems according to their business characteristics, forming a management framework of "group coordination, regional collaboration, and full staff participation". The QHSE Department focuses on routine management, methodological innovation, digital transformation, talent development, and industry exchanges, striving to build a professional, efficient, and trustworthy benchmark for QHSE management in the TIC industry.

In 2025, the Company strictly adhered to national laws, regulations, and industry management requirements, deeply embodied its core values, and aligned with the annual theme of "Refinement". It diligently advanced various QHSE management tasks, achieving significant results.

In terms of quality management: As the Group's business landscape continued to expand and the number of subsidiaries grew steadily, the Company established a standardized and quantifiable maturity assessment system to regulate the quality management levels of subsidiaries. This system enables precise empowerment and control over subsidiary quality management, driving synergistic improvement in the Group's overall quality management effectiveness. During the reporting period, the Company successfully developed a subsidiary quality management maturity evaluation model covering four dimensions: qualification management, quality management, risk control, and special projects. It completed maturity evaluations for all subsidiaries within the Group. Tailored improvement plans were formulated based on the management gaps of each subsidiary. Through specialized guidance and benchmarking, subsidiaries with lower maturity levels rapidly addressed their shortcomings, while those with higher maturity levels continued to optimize. As a result, the standardization of the Group's overall quality management significantly improved compared to the previous year.

In terms of HSE management: In 2025, the Group focused on the systematic upgrade and implementation of the HSE management system, fully rolling out seven core projects. It established a three-tier inspection system covering "laboratory–company–group", forming a closed-loop management process of "self-inspection–review–evaluation". During the reporting period, the Company developed industry-specific risk databases for various testing sectors and formed supervision and inspection teams, continuously deepening the "three-tier supervision + random spot check" mechanism to achieve comprehensive coverage. Leveraging digital tools, the Company built an HSE performance management platform, shifting the management model toward "proactive warning and data-driven" approaches. With a focus on "preventive measures", the Company introduced professional methodologies such as Job Safety

Analysis (JSA/JHA) and Hazard and Operability Analysis (HAZOP) to comprehensively identify and assess risks across all scenarios, including experimental activities, equipment operation, and chemical usage. A dynamically updated risk register was established to ensure end-to-end risk control. The Company also conducted systematic reviews and revisions of key HSE policies, built a positive incentive system, and cultivated a high-caliber safety management team.

The Company continuously explores innovation in QHSE management. Special project teams have been established to focus on industry pain points and management challenges, conducting in-depth research on quality management tools and methodological innovations. Using a scientific strategy of “pilot–optimize–promote”, the Company drives the implementation of results, forming multiple replicable and scalable industry practices, including the laboratory quality risk management accountability system, laboratory tiered management, and innovative fire safety mechanisms. Additionally, the Company strengthens team building and innovation empowerment, organizing cross-regional and cross-departmental project teams to discuss challenging issues, customizing personalized development plans, and stimulating team creativity and effectiveness. The Company successfully organized the 2024 Group Laboratory Quality Award selection, identifying outstanding practices in laboratory quality management and motivating laboratories to enhance quality and efficiency from within, setting practical benchmarks for optimizing the Group’s quality system. In 2025, the Company innovatively established the Group Quality Lecture Hall, inviting benchmarking units and individuals to share experiences, fostering a virtuous cycle of learning. It also launched a QHSE information platform on WeCom, implementing a weekly push system to strengthen QHSE awareness among all employees and promote a culture of quality and safety.

In terms of digitalization: Embracing the digital transformation wave, the Company has built a well-coordinated, group-wide digital ecosystem for quality management. The QHSE Department, in collaboration with the Information Resources Management Department, developed the RIMS Quality Intelligence Platform. This platform encompasses functions such as a professional resource database, a standardized internal control system for laboratories, supervision and inspection tools and methodologies, the “Three-Three Model” for opportunity-based improvement, quality management performance evaluation, and platform application tutorials. Since its pilot launch six months ago, the platform has facilitated over a thousand risk identifications and specialized supervision inspections, covering major laboratory sites. Based on the “Three-Three Model,” more than a hundred quality improvement points have been systematically addressed. By leveraging technology to break through management bottlenecks, the platform has driven quality management toward standardization and intelligence, significantly enhancing the quality and efficiency of quality supervision and management. Looking ahead, the platform will continue to optimize user experience and system functionalities, strengthen data early warning and analytical depth, and gradually establish a new preventive quality management model, showcasing the unique value of “technology empowering management and innovation leading the industry”.

In terms of talent development: In 2025, the Company expanded its QHSE training curriculum, independently developing 41 courses to achieve full group-wide coverage. It conducted 27 offline training sessions in 15 cities (reaching over 1,210 participants with a satisfaction rate of 96.46%) and held three specialized HSE administrator training sessions (with a satisfaction rate of 96.73%). Additionally, the Company cultivated an internal trainer team, with plans to focus on developing two types of advanced courses in 2026. Furthermore, the Company refined the assessment mechanisms for key positions, completing evaluation and training for 1,700 personnel in critical roles, and established an audit talent pool of 634 individuals (including 58 senior auditors), thereby strengthening the Group’s quality management capabilities and industry influence.

In terms of industry engagement: In 2025, the Company took the lead in collaborating with 78 industry-academia-research institutions to release the group standard T/CSTE 0760-2025 (effective January 1, 2026), filling the gap in standardized excellence management systems for China’s manufacturing sector. The Company organized two sessions of public welfare training on standards and introduced four quality empowerment solutions. It also hosted the South China division of the first National Quality Innovation Case Competition, building a bridge for industry exchange. Additionally, the Company published the second edition of *Laboratory Risk Management: Theory and Practice*, sharing mature experience and contributing to the collective progress of the industry.

2. Talent development and organizational capability advantages

The Company’s core management team possesses extensive industry experience and management expertise cultivated over many years in the testing sector. With a precise grasp of industry trends and acute awareness of market dynamics, the team formulates forward-looking yet pragmatic corporate development strategies, positioning the Company as a benchmark enterprise in the testing field. The Company places great emphasis on the growth of every employee and is committed to becoming a platform conducive to their career development. Through a dual-track career development pathway, employees are encouraged to either become experts in their respective fields or professional managers based on their individual circumstances. This approach fully unlocks the potential of each employee, providing ample opportunities for growth and experimentation, thereby achieving a dynamic balance between personal development and the Company’s high-quality growth.

Sustainable corporate development hinges on team growth. To establish a robust talent cultivation system, the Company has implemented a series of comprehensive training management policies, including the *CTI Group Training Management Manual*, *Group Certified Trainer Management System*, *Group External Training Management System*, and *E-Learning Platform Management System*. In line with the Group’s strategic planning and employee development needs, the Company has developed a range of training programs covering new employees, general staff, professional skills, and leadership development. The *Group Annual Training Plans* meticulously formulated each year, supported by a rich and diverse course repository on the E-Learning platform, enabling employees to flexibly choose online courses based on their individual needs. In 2025, the Human Resources Department focused on talent pipeline development and organizational capability enhancement, driving several core talent development initiatives with notable results: The upgraded Group talent development program “Climb to Win” covered 520 frontline managers, strengthening their management foundations and execution efficiency, thereby reinforcing a critical link in the Group’s organizational capability building. The Group talent development program “Guanghua-LAP” targeted 34 mid-to-junior managers, facilitating their role transformation and capability breakthroughs, and enhancing the core effectiveness of the mid-to-junior management pipeline. Throughout the year, 35 customized training sessions were conducted for business units, benefiting nearly 1,000 key personnel across various departments.

These tailored programs facilitated deeper integration between the Company and its post-investment enterprises, ensuring the effective implementation of the Group's strategic synergy. The learning organization initiative "CTI Learning Circle" remained robust, with approximately 9,000 participations in various activities, fostering a culture of collective learning and continuous improvement, and further solidifying the foundation for talent development. The overall enhancement of team capabilities has provided strong support for the Company's sustainable development, comprehensively reinforcing the Group's talent pipeline and strengthening organizational competitiveness.

To retain core talent and attract more outstanding professionals, the Company implements diversified incentive mechanisms, including company-wide performance evaluation schemes, employee stock ownership plans, and equity incentive programs. These initiatives effectively stimulate the enthusiasm and creativity of the core team, uniting all employees to achieve the Company's strategic objectives and laying a solid foundation for efficient, high-quality, and sustainable development.

3. Laboratory network layout and digital-intelligent empowerment advantage

The Company's laboratory network is distributed across major cities nationwide, leveraging strategic geographic locations to serve surrounding regions. With over 160 laboratories established in more than 10 countries and regions globally, the Company's service capabilities comprehensively cover industries such as textiles, apparel, footwear, and bags; infant and children's toys and light industrial products; electronics and electrical appliances; pharmaceuticals and medical services; food and agricultural products; cosmetics and daily chemical products; petrochemicals; environmental services; 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 digital certification, along with their upstream and downstream supply chains. The Company's extensive laboratory network and one-stop service capabilities constitute a significant competitive advantage, providing robust support for business expansion and client service.

Committed to delivering more professional and valuable services, the Company remains highly attuned to client needs and continuously enhances service quality and standards. With years of experience in the testing industry, the Company has accumulated a vast repository of testing data characterized by strong reliability, rich dimensions, sufficient depth, and broad applicability. The Company provides enterprises with risk-based testing solutions, internal and supply chain risk management plans, quality cost control insights, and supplier evaluation support. For government entities, it offers risk assessment and prevention data for sampling inspections, decision-making support for policies and regulations, and assistance in improving decision-making efficiency and scientific rigor. For consumers, it provides reliable references for understanding product quality and safety.

Innovation remains at the core of the Company's development strategy. Leveraging cutting-edge digital-intelligent technologies, the Company drives business optimization and efficiency improvements, deeply integrating digital-intelligent solutions with lean management. It has established an intelligent, data-driven management system, laying a solid foundation for high-quality development. Digital-intelligent transformation is both an inevitable choice in line with industry trends and a key enabler of the Company's international growth. In 2025, the Company continued to deepen its digital-intelligent strategy, strengthening its core competitiveness and contributing to the vision of building an "Intelligent CTI" and a "Technology-Driven CTI". In terms of AI-enabled transformation, the Company has formulated a clear technical roadmap and established a professional team. Building on machine vision and data mining technologies, it is gradually incorporating large language models to drive the intelligent upgrade and efficiency enhancement of testing services. From a system architecture perspective, the Company has developed a four-tier collaborative system comprising the "Physical Layer, Data Layer, Algorithm Layer, and Application Layer," forming a closed-loop where technology supports business operations and ensuring the successful implementation of various digital-intelligent applications. Relying on this four-tier architecture and dual-modal AI technologies combining "vision and text," the Company has developed reusable "AI + Testing" solutions, which have been deployed in multiple laboratories, significantly improving operational efficiency. Projects such as AI-based order classification and drug stimulation experiment identification have been successfully implemented. The intelligent data query function in the LIMS system has been fully launched in the Consumer Products Business Unit and will be promoted across the entire Group, while the consumer product label review function has also been deployed. The subsidiary, How-To, won the "2025 Ringier Technology Innovation Award" for its "FAST Consumer Preference AI Prediction Model," which serves several international beauty clients. Concurrently, ongoing projects like marine organism identification continue to expand the boundaries of AI applications. The Company continuously optimizes its self-operated e-commerce platform, CTI MALL, and big data analysis mechanisms, achieving integrated multi-terminal management that covers the entire industry supply chain. The platform provides users with convenient services such as 24/7 self-service ordering, standard queries, and expert interactions. The MyCTI client service system, adhering to a "client-centric" philosophy, offers services like report inquiries and online ordering. While ensuring information security, it builds bridges for data interoperability and enhances after-sales service and client loyalty through AI-powered intelligent client service. Furthermore, the Company has adopted low-code development tools to rapidly respond to business needs, reduce costs, and improve efficiency. Leveraging cloud computing, IoT, and other technologies, it optimizes laboratory processes and advances the construction of intelligent, unmanned testing laboratories. The Company has also deepened its digital strategic partnership with Kingdee to create a "one system, one platform" operational model, enhancing information sharing and collaboration efficiency. This supports digital business growth and provides a foundation for the Company's internationalization strategy.

4. Innovation and R&D leadership advantage

The Company has established the *Innovation R&D Management System* to standardize its innovation activities. The Group Research Institute focuses on implementing digital strategies, building talent bases, developing testing equipment and methods, conducting research and development of standards, and driving scientific innovation in areas such as patent inventions, thereby deepening regional innovation initiatives. As one of the earliest and most heavily invested professional research institutions among private testing organizations in China, the Group Research Institute boasts a team of industry experts dedicated to pioneering technologies. It provides strong technical support for business expansion across various business units, reserves ample technical capabilities for the Company's development, continuously enhances the Company's core competitiveness in testing technologies, solidifies its leadership in innovation and R&D, and maintains its technological edge in the industry.

In 2018, the Company established a Postdoctoral Innovation Practice Base to attract doctoral graduates from universities and research institutions, forming a high-level scientific research team and providing talent support for enhancing the Company's technological innovation competitiveness. In February 2023, the base was upgraded to a Corporate Postdoctoral Research Sub-station. To date, the sub-station has recruited 10 postdoctoral researchers, conducting research in fields such as non-destructive testing and rapid testing instruments. Postdoctoral researchers who have completed their training continue to work with the Company, leading research on AI applications in the testing industry and the development of rapid testing equipment. Additionally, the Company actively participates in the formulation and revision of multiple international and national standards in areas such as food, materials, electrical appliances, and textiles. Numerous R&D achievements have been recognized by the market, government authorities, and industry associations, with leading R&D capabilities serving as a crucial guarantee for the Company's development.

The Company allocates 8% to 10% of its annual revenue to innovation and R&D, supporting the development and incubation of new projects. During the reporting period, R&D expenditure reached CNY 581 million, a year-on-year increase of 9.71%, accounting for 8.77% of total revenue. Through continuous innovation investment and technological breakthroughs, the Company actively enhances its technical capabilities and service quality, promoting high-quality and sustainable development in the industry. Key innovation achievements in 2025 include: (1) Deepening core testing capabilities and automation: Developed in-situ Raman spectroscopy analysis methods, establishing non-standard testing capabilities; completed in vivo transdermal absorption testing solutions, strengthening cosmetic R&D testing services; advanced laboratory and process automation, achieving intelligent order classification and review, intelligent chromatography-mass spectrometry spectral alarms, and developing a prototype for industrial film digitization hardware, laying the foundation for AI-based film evaluation. (2) Expanding intelligent recognition and multimodal instrument applications: Developed image recognition models to automate chick embryo drug stimulation grading and intelligent authentication of luxury bags, improving judgment consistency and digitizing expert knowledge; built a prototype combining laser confocal microscopy and Raman spectroscopy, exploring multimodal testing applications in skin testing, microplastics, and other fields. (3) Focusing on rapid testing equipment and cutting-edge technology exploration: Defined R&D directions for handheld/miniature spectroscopy devices; conducted feasibility validation of electrochemical biosensors, providing technical reserves for rapid testing, wearable devices, and environmental/human health monitoring; initiated pre-research on rapid seawater nitrogen and phosphorus detection technologies, paving the way for joint development of compact spectroscopy devices and AI models to explore new business areas.

As a pioneering enterprise driving high-quality development, the Company has consistently engaged in the formulation and revision of various standards over the years, taking a leading role in the high-quality development strategy and promoting the improvement of industry standards through practical actions. The Company collaborates with 56 international/national standardization technical committees/subcommittees, participates in the formulation and revision of international, national, and industry standards, and holds numerous expert positions. It includes 2 deputy chairpersons and over 20 members of national standardization technical committees/subcommittees. The Company has undertaken 2 ISO/IEC working groups, trained 2 conveners for ISO/IEC working groups, and registered more than 10 experts in ISO/IEC working groups. During the reporting period, 1 additional ISO/IEC working group expert was registered. The Company actively participates in 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), attending over 10 technical meetings, forums, and seminars, and deeply engaging in international standardization efforts. As the convener of ISO/TC34/SC6/WG28 on the Determination of Pesticide and Veterinary Drug Residues, the Company held its second working group meeting in Nanjing. It oversees 6 international standards, with 2 new work proposals added during the year. To support the long-term and effective development of international standardization efforts, in June 2025, the Company participated in the 27th plenary meeting of ISO/TC34/SC6 on Meat, Poultry, Fish, and Eggs held at the French Standardization Association. The meeting brought together over 90 representatives from 22 countries, the World Organization for Animal Health (WOAH), the ISO Central Secretariat, and the ISO/TC34 Secretariat. The Company also served as the secretary of the Chinese delegation and presented reports on the work of ISO/TC34/SC6/WG28 and new international standard project proposals. During the reporting period, the Company published 74 new standards, including 1 international standard, 46 national standards, 21 industry standards, and 6 group standards, 2 of which are mandatory national standards. As of the end of the reporting period, CTI Group has participated in the formulation and revision of 860 standards, with 764 standards published, including 15 international standards, 495 national standards, and 224 industry standards, 24 of which are mandatory national standards.

Building on its actual testing and inspection operations, the Company focuses on the research and development of new testing methods, improvements, and innovative designs of new devices, deeply integrating intellectual property protection with practical business needs to promote the transformation and application of technological achievements. During the reporting period, the Group obtained 106 new patents, including 15 invention patents, 90 utility model patents, and 1 design patent. As of the end of the reporting period, the Company has accumulated 810 authorized patents, including 130 invention patents, 679 utility model patents, and 1 design patent. This extensive patent portfolio further strengthens the Company's innovation and R&D capabilities, reinforcing its core competitiveness.

During the reporting period, the Company was honored with two second prizes for Scientific and Technological Progress in the 2025 "Machinery Industry Science and Technology Award" jointly issued by the China Machinery Industry Federation and the Chinese Mechanical Engineering Society. It also received the 2025 "Advanced Unit for Standardization in China's Culture, Education, and Sports Goods Industry" award from the China Culture, Education, and Sports Goods Association. These accolades reflect the industry's high recognition of the Company's innovation, R&D, and standardization efforts, further demonstrating its leadership in the industry.

IV. Analysis of main businesses

1. Overview

2025 was a pivotal year for the Company, marked by strategic deepening, digital-intelligent transformation, and global expansion. Facing a complex and ever-changing external market environment, the Company consistently adhered to a long-term vision, steadily advanced the implementation of its “123 Strategy”, continuously elevated quality services, deepened lean operations, accelerated digital-intelligent transformation and global expansion, and optimized its drivers for growth. The Company’s performance improved quarter by quarter, achieving steady progress. It accomplished simultaneous growth in both operational scale and profitability quality. Regarding cash flow, the Company’s net cash flow from operating activities grew rapidly, reflecting stable profitability in core operations and a continuously improving quality of receivables. This provided a solid financial foundation for strategic initiatives and further strengthened the financial underpinning for the Company’s business development. The Company systematically advanced strategic M&As and international expansion projects. The long-term growth momentum from these initiatives will be gradually realized, laying a solid foundation for sustainable future development and enhancing the Company’s international competitiveness. During the reporting period, the Company achieved operating revenue of CNY 6.621 billion, a year-on-year increase of 8.82%; net profit attributable to shareholders of the listed company reached CNY 1.016 billion, a year-on-year increase of 10.35%; and net cash flow from operating activities was CNY 1.371 billion, a year-on-year increase of 29.02%.

(I) Business performance of five sectors

1. Life science sector

(1) Food and agriculture testing

In 2025, the Food, Agriculture, and Health Products Business Unit deeply implemented the Group’s “123 Strategy”, with the upgrade of its key account strategy as the core driver. Its operational performance achieved stable and positive development, with overall efficiency steadily improving. The unit continued to consolidate its competitive advantages in the field of food safety and quality, while formally initiating its international layout, synergistically advancing short-term performance growth, medium-term business layout, and long-term momentum cultivation. The business unit focused on the full lifecycle needs of key accounts, driving service upgrades towards “full-chain integrated services”. By optimizing client resource allocation and innovating incentive mechanisms, it provided one-stop customized solutions for key clients covering quality control, market, and R&D. It also deepened strategic partnerships with leading enterprises, forming a stable and high-quality client portfolio. Continuously advancing its strategic layout and leveraging comprehensive service advantages, the unit achieved steady growth in operational performance, solidifying the foundation for the development of the Life Sciences segment. Marking 2025 as the inaugural year of its internationalization, the business unit seized opportunities presented by the Group’s accelerated global expansion, using M&As as a key lever to accelerate overseas presence and extend its business reach worldwide, injecting strong momentum for long-term development.

The Food, Agriculture, and Health Products Business Unit consolidated its foundation in traditional markets, deeply explored the needs of key accounts, actively expanded corporate business, and continually innovated by introducing new products and value-added services. It expanded into areas such as health and wellness and home appliances, while actively incubating non-testing businesses. The unit continuously extended its offerings in testing, inspection, certification, and training, steadily enhancing its comprehensive service capabilities and promoting diversified business development. During the reporting period, the unit deepened cooperation with key accounts in its core sectors, building a stable and high-quality client portfolio. Precisely aligning with the health upgrade demands of leading enterprises, the unit established a deep partnership with the frozen food leader, Sanquan Food, providing Five-Star Clean Label Certification services for its Long Fong series dumplings. Through a full-chain verification of the Company’s production process control documents and raw material traceability reports, while restricting the types and amounts of food additives, the unit provided authoritative endorsement to support the health upgrade of frozen food products. The unit also cooperated with the leading snack company, Three Squirrels, completing organic certification audits for 11 of its roasted seed, nut, and kernel products and officially issuing organic product certification certificates, jointly embarking on a new chapter for healthy snacks. In the chain operation sector, the Company used store audits and mystery shopper experiences as entry points to provide one-stop services for clients in catering, tea beverages, supermarkets, and group catering, covering brand management, supply chain control, and store operations. The scale of its services and market reputation remained at the forefront of the industry.

In the pet food and supplies testing sector, the unit delved into new industry demands, established partnerships with leading enterprises, and built a tiered service system combining deep services for key accounts and precise coverage for small and medium-sized enterprises (SMEs). It achieved outstanding results in innovations related to scientific pet feeding, import/export compliance, and non-testing projects, empowering industry development. For key accounts, it provided one-stop solutions from quality control and market to R&D. For SMEs, it leveraged e-commerce platforms to promote testing packages, attracting clients with competitive pricing, and binding medium-sized enterprises through technical training to enhance loyalty. The unit utilized platforms like Douyin to lead industry trends and elevate brand influence. It launched scientific pet feeding projects to address enterprise R&D and market demands; added new services like export compliance consulting to facilitate product exports. It established a pet R&D data center, continuously releasing related big data analysis reports to provide scientific basis for manufacturers, brands, and consumers, promoting industry standardization and high-quality development. Regarding innovation, the unit launched an intelligent IPA management system for pet feeding, defining a new paradigm for pet food testing with innovative technology. Simultaneously, it actively participated in industry standard setting, serving as a key drafting unit for China’s first group standard T/CAPS 051-2025 *Enzyme-Hydrolyzed Complete Pet Food*, further improving the pet food industry’s standard system.

In the fields of special food and daily chemical products, under the “healthy China” strategy and the “silver economy” trend, the Company focuses on elderly demands and health functions, making forward-looking investments. Through sensory assessment and consumer insights, the Company helps major clients with product development, integrates resources to establish regional laboratories and service teams, and offers full-process services to enterprise clients. In terms of client recognition, the Company has developed various pigment test methods to ensure cosmetic pigment compliance and assisted Jincheng Bio-pharmaceutical in completing the full-process declaration for PQQ new raw materials. To address risks in the skincare industry, the Company launched a special Sudan Red testing program to help enterprises respond to incidents involving banned ingredients in skincare products, avoiding compliance risks. The Company has continued to make efforts in standard-setting, and as a key drafting unit, it contributed to the release of the group standard T/BDCA 0004-2025 *Guidelines for the Construction of Control System for Cosmetic Packaging Quality and Safety*, filling a gap in the industry's relevant standards. On the international market front, the Company provides one-stop solutions to help businesses expand abroad. During the reporting period, it co-hosted a seminar with Amazon, creating a platform for exchange to assist companies in expanding domestic and international markets. In terms of innovation, the Company received the NHF Conference Annual Influence Brand Award and the FFC2025 Functional Foods Conference Technical Innovation Award, highlighting its efforts to drive industry standardization and technological empowerment. In the cosmetics technology field, the Company won the "Guangdong Province Cosmetics Society Science and Technology Award" in 2025 for its project on "Effectiveness Visualization and Big Data Research to Support Scientific Product Communication", showcasing its technological strength and leadership in cosmetics efficacy assessment and scientific communication. The Company's subsidiary, How-To, won the "Ringier Technology Innovation Awards 2025" for its "FAST—AI Prediction Model for Consumer Preference", which contributes to the intelligent upgrade of the cosmetics industry.

In terms of agricultural product testing, the Company leverages the forefront of agricultural technology and draws on exemplary industry benchmarks, aiming to become a global provider of modern agricultural planting technology solutions, offering more efficient integrated solutions for agrochemical manufacturers and the seed industry. The Company actively deploys across three major segments: biological breeding testing and certification technical services, testing and consulting for agricultural inputs, and comprehensive modern agricultural technical services. During the reporting period, a Seed Testing Service Station was established in Ili, Xinjiang, upgrading from traditional sample testing to a deeply embedded "accompanying" quality partnership throughout the client's seed production process. In the area of modern agricultural comprehensive technical services, the Company developed packages for plant hormone testing, agricultural nutrient solutions, and plant nutrient monitoring, while proactively deploying plant pathogen testing services ahead of the industry. The group standard *Biostimulants - Microbial Functional Metabolites - General Rule*, drafted with participation from the Company, was officially released at the 9th Biostimulants and Green Agricultural Development Conference (ABS2025). Leveraging its leading technological strength and full-chain service capabilities, the Company was successfully selected as one of the first technical institutions for full-process quality and safety control of agricultural products by the Ministry of Agriculture and Rural Affairs. During the reporting period, the agricultural product testing business showed favorable development trends, achieving steady growth.

Regarding international expansion, as a core initiative of the unit's inaugural year of globalization, the Company, relying on the Group's international strategy, formally entered the African and Middle Eastern markets through the M&A of South Africa's Safety SA, establishing a new global food safety service framework. Following the acquisition, the unit positioned South Africa as a strategic hub, deeply integrating Safety SA's global network resources and local service advantages, building a comprehensive TICT service platform spanning China, Africa, and the Middle East. Leveraging its own expertise, the unit supported Safety SA in upgrading industry solutions in food safety testing, technology agriculture, and pet health, achieving comprehensive synergy across mutual technology, clients, networks, and branding. Additionally, the unit strengthened its international service outlet in the daily chemical testing field through the Group's acquisition of France's MIDAC Laboratory, further enhancing global service deployment, supporting Chinese enterprises' compliance overseas, serving international buyers' needs, and gradually increasing the proportion of overseas revenue, accumulating momentum for the unit's long-term stable development.

(2) Environmental testing

During the reporting period, the business unit thoroughly implemented the "123 Strategy" by stabilizing traditional markets, accelerating deployment in fast-growth markets, and incubating new markets. It strengthened internal management and lean operations, achieving a stable transition amid the high base effect of the Third National Soil Survey and ensuring healthy business development in the post-survey era.

The Company successfully completed the closure of the Third National Soil Survey project, actively promoted business transformation and upgrading, intensified the development of corporate clients, continuously consolidated its advantages in traditional sectors, and steadily solidified its business foundation. In response to shifts in market structure, the unit adhered to a dual approach of maintaining core operations and optimizing efficiency. It established a regular evaluation mechanism to conduct comprehensive assessments based on market size, business alignment, competitive landscape, and internal resources, promptly optimizing and adjusting low-efficiency operations. The Company integrated and optimized the scale of some laboratories while increasing investment in key regional laboratories and actively expanding into emerging regions, further refining its nationwide service network.

Regarding deployment in fast-growth markets, the business unit diversified its presence in high-potential areas such as the assessment and monitoring of new pollutants, biodiversity and ecological quality plot surveys, sales of soil reference materials, and operation and maintenance services for pollution source enterprises. It accelerated the upgrade of its business structure to cultivate future profit growth points. In the field of new pollutant monitoring, leveraging its forward-looking strategy and technical capabilities, the Company quickly established a dedicated R&D team and introduced high-precision testing equipment as early as 2022, following the release of the national list of new pollutants. Through collaborative efforts with universities, it overcame technical challenges. In 2025, the Company performed outstandingly in multiple national-level proficiency testing programs for new pollutant detection, receiving numerous "satisfactory" certifications from authoritative national institutions such as the China National Environmental Monitoring Centre and the Environmental Development Center of the Ministry of Ecology and Environment. Its technical capabilities and quality management system were highly recognized, and the order volume is expected to gradually increase in the future.

In terms of incubating new markets, the business unit actively expanded innovative businesses, including the manufacturing and sales of soil reference materials, survey and evaluation of high-standard farmland, and the development of fish monitoring systems, continuously fostering new profit growth points.

In business management, the Company continuously optimized its business structure, focusing on in-depth cultivation of key industries. It deepened the exploration of client value and expanded high-value-added services. The Company strengthened receivables management and improved fund operation efficiency. It comprehensively advanced lean management and digital upgrades to enhance operational effectiveness. Additionally, it built a multi-skilled talent cultivation system to bolster flexible production capacity.

2. Trade assurance sector

During the reporting period, the Company's Trade Assurance Segment continued to provide one-stop comprehensive technical assurance services to meet global trade technology service demands. The business maintained stable development, with core competitive advantages continuously being consolidated. Overall operating revenues grew steadily, and gross profit margins remained at a high level.

The Company demonstrated outstanding performance in the fields of electronic materials chemistry and reliability, with operations showing strong economies of scale. This advantage laid a solid foundation for the continuous improvement of the segment's profitability, further driving steady gross margin growth from a high baseline. Throughout the reporting period, multiple measures were taken to enhance sales and operational efficiency, providing strong support for business expansion. Firstly, leveraging strong support from the Group, the Company actively seized market development opportunities, invested in strategic areas, continuously expanded its service scope and capabilities, and proactively optimized its business structure. It elevated its service levels, actively explored new market demands and emerging sectors, and cultivated new profit growth points, achieving sustained and steady business expansion. Secondly, the Company continuously optimized the effectiveness of its channels, building a refined channel management system to enhance market development capabilities. Thirdly, it consistently monitored various operational data to accurately grasp business development trends. Fourthly, it continuously utilized digital tools to optimize management processes, implementing real-time monitoring of business workflows through visualization methods to improve sales management efficiency.

Simultaneously, the Company focused on enhancing laboratory operational efficiency. On one hand, it consistently carried out lean projects, continuously optimizing laboratory workflows and improving operational refinement. On the other hand, it deeply implemented the Group's synergy strategy, establishing a comprehensive collaborative system. The centralized layout of laboratories strengthened internal collaboration and coordination with various business units across the Group, enabling resource sharing and complementary advantages. This approach fully leveraged the Group's overall service strengths, further amplifying economies of scale and improving laboratory operational efficiency and comprehensive service capabilities.

Regarding strategic M&As, the Company continued to advance related initiatives and achieved significant results. In late 2024, the Company completed the strategic acquisition of Microtek, further enhancing its comprehensive testing service capabilities in the PCB field, with integration progressing smoothly. In the supply chain audit sector, the Company completed the acquisition of a controlling stake in Openview and successfully concluded the transaction, effectively improving its regional service network. The growing demand for ESG has created favorable development opportunities for audit services. Openview possesses deep qualifications and comprehensive service capabilities. This acquisition not only enriched the Company's international audit credentials but also enhanced its global footprint in social responsibility and environmental auditing, helping the segment build a competitive edge in high-quality sectors such as international sports brands and providing strong support for seizing international market opportunities.

3. Consumer products sector

In 2025, the Company's light industrial and toy, textile, and related businesses continued to demonstrate robust growth momentum. On one hand, the Company focused inward to strengthen its internal capabilities, continuously obtaining new accreditations and solidifying its technical foundation. On the other hand, while maintaining stable government client relationships, it intensified efforts to develop corporate clients both domestically and internationally, actively expanding partnerships in the e-commerce sector. Several key collaborations were achieved: A new round of in-depth cooperation with Vipshop; successful inclusion in the CE accreditation whitelist for electrical appliances and toys on Pinduoduo's international platform (TEMU); and becoming one of the first members of Taotian's Product Quality Alliance, jointly fostering a high-quality e-commerce ecosystem. Simultaneously, the International Business Development Department gained recognition from numerous international buyers, driving rapid business growth throughout the year through multi-dimensional initiatives.

Automotive testing: During the reporting period, as the penetration rate of new energy vehicles (NEVs) in China continued to rise and trends toward electrification, intelligence, and connectivity deepened, the Company seized industry opportunities by focusing on NEV testing, increasing investment, and driving overall positive development in the automotive sector. Core areas such as in-vehicle electronics and automotive EMC maintained steady growth, with laboratory operational efficiency improving steadily. New investments in e-drive and e-control fields progressed smoothly, and as production capacity gradually ramps up, it is expected to inject strong momentum for sustained future growth. During the reporting period, the Company comprehensively optimized and adjusted YiMa Company in response to market changes, including refining its business structure, strengthening market expansion, and improving service quality, leading to a continued positive operational trend for YiMa Company. In standards development and accreditation, the Company achieved multiple breakthroughs: Its subsidiary, Shanghai CTI Product Testing Technology Co., Ltd., participated in the technical discussions, indicator validation, and drafting of the group standard *Quality Grading and "Forerunner" Evaluation Requirements for Portable Smart Tire Inflators*, fully demonstrating the Company's technical strength and industry influence. Additionally, the Company officially obtained capability accreditation from the CNAS in the field of automotive functional safety, marking its comprehensive capability to provide full-lifecycle certification for automotive electronic and electrical system functional safety. This enables the Company to offer more professional safety and compliance support to the industry, further enhancing its full-lifecycle service system for automotive.

Aerospace testing: The Company took an early lead in the aerospace materials field as early as 2018, establishing mature laboratories in Shenzhen, Guangzhou, Shanghai, Suzhou, and other locations. Leveraging its first-mover advantage, professional expertise, and efficient operations, it precisely aligned with client testing needs, resulting in strong growth in project volume. In recent years, its development in aerospace materials has continued to accelerate. In 2025, the Company further accelerated its expansion in aerospace testing, with various initiatives yielding results: In the low-altitude economy sector, the Company possesses capabilities and provides services related to drone reliability, EMC, and materials. It established a low-altitude industry testing laboratory in Suzhou, focusing on the national "low-altitude economy" strategy, with a planned laboratory space exceeding 3,000 square meters covering full-process technical services for civil aircraft. As a key supporting project for Suzhou's Xiangcheng District's low-altitude economy, the laboratory leverages the local industry chain ecosystem to continuously expand full-lifecycle testing capabilities for aircraft, supporting the region in becoming an innovation hub for the low-altitude economy. The Company has also collaborated with leading clients on eVTOL performance and reliability verification testing and is actively engaging in business cooperation in related fields to seize opportunities in the low-altitude economy. Additionally, the Company is collaborating with Shanghai Jiao Tong University on industry-academia-research partnerships, actively pursuing accreditation from the European Union Aviation Safety Agency (EASA). In the field of domestically developed large aircraft, the Company is deeply integrated into national strategies. It signed an agreement to enter the Lingang New Area's Large Aircraft Industrial Park, officially becoming a new member of this core national aviation strategic platform; invested in a specialized laboratory and signed a framework agreement; leveraging its internationally leading technical capabilities in material performance testing, component reliability verification, and environmental adaptability assessment, the Company provides full-chain testing and certification services covering aerospace materials, structural components, and electronic systems, helping the domestic large aircraft industry chain achieve dual drivers of quality safety and technological innovation. Throughout the year, the Company's service capabilities in the aerospace sector continued to deepen, with business scale steadily expanding. In the commercial aerospace field, it focused on aerospace material performance verification and core component reliability testing, further consolidating its first-mover advantage and building core competitiveness in providing full-industry-chain technical services for aerospace and the low-altitude economy.

Semiconductor and chip testing: The Company remains firmly optimistic about the long-term prospects of the semiconductor industry and is fully committed to reshaping and advancing related businesses. In 2025, various initiatives were successfully implemented, resulting in rapid business growth. During the reporting period, as Failure Analysis (FA) and Material Analysis (MA) capacities continued to be released, semiconductor testing revenue grew rapidly. The Company completed a comprehensive upgrade of its Semiconductor Testing and Analysis Center laboratory, covering key areas such as hardware facility updates, testing process optimization, and technical system improvements, laying a solid foundation for business advancement. Simultaneously, the Company optimized its team, focused on core advantageous areas, implemented lean management, introduced intelligent tools to enhance operational efficiency, and strengthened talent pipeline development and industry-academia-research collaborations, continuously building core competitiveness. It actively expanded business channels, deepened strategic partnerships with high-quality suppliers, and continuously improved testing hardware capabilities to ensure accurate and reliable testing data for clients. Significant achievements were made in client cooperation and industry recognition: In the field of automotive-grade chip testing and certification, with its professional testing services and efficient responsiveness, the Company successfully assisted Shanghai Shuming Semiconductor Co., Ltd. in passing AEC-Q100 automotive-grade certification, earning high client recognition; the Company was rated as an "Excellent Supplier for 2025: by Hefei Zhixin Semiconductor Co., Ltd., significantly enhancing service quality and client approval. During the reporting period, revenue achieved rapid growth, gross margins continued to improve, and industry influence steadily increased.

4. Industrial testing sector

In the construction engineering and industrial fields, the Company focuses on its core businesses, guided by digitalization, intelligence, and sustainability. It steadily advances transformation and upgrading, implements lean management, maintains overall stable operations, improves quality, continuously expands into new areas, and coordinates efforts to provide a solid foundation for future growth. In the materials and mining sectors, the acquisition of ALS China's laboratory "ALS" enabled a swift entry into the geochemical testing field, deepening strategic positioning in this area and extending capabilities from material testing to upstream raw material analysis, with initial integration effects emerging. The Company is gradually building full-chain material testing capabilities, achieving rapid growth. HSEQ is identified as a key future development direction and a core sector for cultivating new growth drivers. In the second half of 2025, the Company completed the acquisition of South Africa's Safety and formally consolidated it. Integration progressed smoothly, core operations continued stably, and long-term growth momentum gradually unfolded, effectively filling gaps in this business area. Leveraging Safety's deep technical expertise, brand advantages, and established client base in the global HSEQ sector, the Company further improved its HSEQ business layout and enhanced full-chain service capabilities in consulting, certification, and training. Moving forward, it will focus on synergies with existing industrial and mining businesses, tapping into the rigid safety demand potential in global mining and industrial sectors, continuously expanding market space, and building a core growth engine. In the industrial sector, the Company focuses on the "new energy + new power grid" track, improving its capabilities, optimizing network configurations, implementing a key account development strategy, strengthening technological innovation, and accumulating high-quality major clients. Its professional industrial testing capabilities are highly recognized: subsidiary Hangzhou Hua'an participated in several key projects and received client commendations; subsidiary Pinbiao Energy obtained testing and inspection qualifications, supporting development in new sectors. The Company also provided specialized safety testing for the overseas production base of a leading enterprise, Nanya, successfully expanding its overseas service footprint and supporting the global expansion of Chinese manufacturing. In construction engineering, the Company continues to advance transformation and upgrading, integrating resources to enhance efficiency, strictly controlling project entry, focusing on high-quality clients, optimizing network and capability configurations, accelerating the shift from new-build projects to existing markets, transitioning from asset-heavy testing to knowledge-intensive, project-capability-focused asset-light services, and upgrading from regulation-driven testing to voluntary enterprise-driven testing. It is also accelerating growth in high-growth businesses such as system security and functional safety certification, and industrial intelligent system testing. The construction engineering and industrial sectors are continuously improving operational quality, cultivating new growth drivers, and are expected to inject sustained momentum into the Company's long-term stable development.

In the metrology and calibration sector, adhering to the principles of “consolidating the foundation, building the brand, and developing steadily,” the Company focuses on advanced manufacturing sectors such as high-end precision instruments, healthcare, aerospace, and transportation. It expands service offerings, building a trinity service system of metrology calibration, reference materials, and proficiency testing. With professional and reliable technology and services, it has established stable and in-depth strategic partnerships with numerous industry leaders. In terms of business scope, CTI Metrology provides everything from precise calibration services to cutting-edge technical R&D support, continuously injecting strong momentum into industrial infrastructure development and helping related industries achieve high-quality, sustainable growth. In 2025, responding to the “Belt and Road” initiative, CTI Metrology achieved significant results in its international expansion: It went to Indonesia to provide calibration services for the Huayou Indonesian nickel industry group, completing multiple overseas projects forming a business closed-loop; expanded to Africa to empower local industries, gaining recognition from authoritative figures in the international metrology field, with its services selected for a recommended list of high-quality metrology products for Africa. Seizing opportunities in the low-altitude economy, CTI Metrology participated in the Third Low-Altitude (Suzhou) Industry Innovation Ecology Conference and the 2025 Digital Low-Altitude Conference, showcasing metrology solutions tailored for low-altitude economic scenarios. Leveraging a professional metrology service system built on a network of over 30 laboratories nationwide and more than 6,000 CNAS-accredited items, it has established deep cooperation with several industry leaders, strongly supporting the development of the low-altitude economy. In terms of service network expansion, CTI Metrology’s Henan company officially opened. As the Company’s 13th domestic laboratory, it improves the coordinated service network for metrology calibration in North China, focusing on high-end equipment manufacturing, new energy vehicles, and other industrial sectors, injecting new momentum into the modern industrial system construction in central China. During the reporting period, the metrology business maintained stable growth, with brand competitiveness and influence continuously increasing.

In terms of maritime sector, during the reporting period, focusing on deepening global expansion, accelerating green transformation, and executing M&A integration, the sector’s overall operational quality and efficiency steadily improved, maintaining a favorable development trend. Leveraging the acquisition of NAIAS at the end of 2024, the Company further improved its global layout for marine fuel testing. It successfully completed the integration and synergy of global operations, further solidifying its global service capabilities. Client coverage breadth and service depth continued to expand, and brand influence and market competitiveness steadily increased. Relying on a comprehensive laboratory network, professional technical capabilities, and localized service advantages, maritime operations remained stable, providing solid support for the overall business. Facing the industry trends of decarbonization and new energy transition in global shipping, the Company closely follows international policy directions and market demand changes. It actively explores emerging directions such as low-carbon testing, alternative fuel testing, and maritime environmental services, continuously improving its product and service portfolio, preemptively positioning itself in the incremental market brought by the industry’s green transformation, and opening new space for future growth. Simultaneously, the Company continues to advance global team building and lean operational management, continuously improving cross-border service capabilities, technological innovation, and resource integration, providing strong support for global expansion and business innovation. While consolidating traditional advantageous businesses, it successfully seized opportunities in shipping’s green transformation. The results of its globalization and low-carbon initiatives are significant, accumulating momentum for the Company’s long-term sustainable development.

In the digital services sector, in the context of the deep integration of the digital economy and the real economy, informatization and digitalization are moving towards a new stage driven by data as the core. With forward-looking strategic planning and leveraging its technological accumulation in electronics, information, and artificial intelligence, the Company took the lead in establishing a three-dimensional testing system covering “hardware security + software compliance + data protection”, gradually forming a digital service matrix covering multiple fields. In 2025, building on its core advantages of full-industry coverage capability and comprehensive qualification service capabilities, the Company focused on strategic upgrades, prioritizing new tracks such as fintech product testing, supply chain security, and the data factor market. This further enriched its digital service matrix and expanded its service boundaries. In 2024, the Company entered the fintech product testing and certification field, continuously developing its fintech product testing business. In 2025, it continued to improve its digital service matrix, successfully entering the supply chain security field. It obtained official authorization from the Ministry of Public Security’s Supply Chain Security Capability Center, formally entering the supply chain security service track, aiming to build a secure, trustworthy, and controllable development environment for industrial supply chains. Simultaneously, it laid out plans for the data factor market, focusing on the value transformation of data from a resource to an asset, providing full-chain professional support services. It has successfully registered with the Shenzhen and Zhengzhou Data Exchanges, helping ensure compliant circulation and efficient utilization of data factors and strengthening data trust defenses. It will continue to expand its presence in data exchanges nationwide. Core technological capabilities field: key products like the “CTI E-Signature System V1.0” were successfully recognized as an excellent software enterprise and product in Henan Province, fully demonstrating the Company’s technical R&D strength, product innovation capability, and service implementation level in the field of electronic certification, providing strong technical support for digital identity trust and electronic signature compliance. The CTI Wind and Snow technical team won first prize in a provincial-level cybersecurity competition, showcasing the Company’s technical prowess in cybersecurity offense and defense, and risk management. With the continuous improvement of the digital services business layout and the steady enhancement of service capabilities, it is expected to provide support for future development.

In the sustainability sector, under the global green and low-carbon transition and domestic “carbon peaking and carbon neutrality” policy opportunities, the Company deepened its layout in the “carbon peaking and carbon neutrality” full industry chain and ESG services, accelerated expansion into the global sustainability market, continuously consolidated its industry-leading position, and supported sustained business growth. Carbon peaking and carbon neutrality field: The Company focuses on the core needs of enterprises for green and low-carbon transformation, fully stabilizing traditional businesses and seizing fast-growing opportunities. Subsidiary CTI Certification, with its professional capabilities and rich experience, successfully won carbon emission verification projects in multiple regions, assisting numerous well-known enterprises and governments in achieving carbon reduction targets and safeguarding green development. As the first in the industry, it issued 17 carbon footprint certificates to Hengsteel, setting a new sustainability benchmark for the steel industry. It also helped Heguang Tongcheng obtain a "lights-out factory" certificate, promoting green and intelligent upgrades in manufacturing. Regarding qualifications, the Company possesses over 20 low-carbon-related accreditations, demonstrating strong capabilities. CTI Certification became China's first verification body approved under the SFC Conformity Assessment Scheme, marking a new breakthrough in the field of greenhouse gas accounting for freight transport chains. It successfully obtained BCI Chain of Custody certification body accreditation, formally gaining international recognition in the sustainable cotton industry chain. It was officially approved to join the International Association of Validation and Verification Bodies (IAVVB), becoming the first Chinese institution to join the alliance. In business practice, it has cumulatively completed carbon verification for over 5,000 entities and issued over 25 million tons of certified emission reductions, transforming qualification advantages into tangible development results. In standard setting, the Company continues to lead industry development, demonstrating international professional strength. By the end of 2025, the Company was deeply involved in the formulation of several national standards, filed carbon footprint certification rules in 16 fields, employed 2 international EPD independent auditors, and had 2 experts selected for the first global list of SBTi-certified experts, enhancing its development foresight and industry authority. In the ESG field, the Company participated in the development of ISO ESG IWA 48 *Framework for the Implementation of Environmental, Social, and Governance (ESG) Principles*, the world's first ESG international standard published by ISO. It also participated in the drafting of the AA1000 white paper led by TIC Council. By participating in standard-setting, it guides industry development directions and enhances its voice and authority within the industry. In terms of global expansion, the Company accelerated its layout through strategic mergers and acquisitions, completing the acquisition of a controlling stake in Greece's Emicert. Integrating its greenhouse gas auditing qualifications within the EU filled the Company's gap in providing conformity assessment services related to greenhouse gases within the EU, building a bridge for Eurasia sustainability business and helping the Company accelerate its expansion into the global sustainability market. During the reporting period, the Company's various development directions worked in synergy. Relying on its strong qualification capabilities, authoritative standard-setting ability, and strategic M&A layout, it stabilized its advantages in traditional markets, seized opportunities in fast-growing tracks, cultivated new overseas growth drivers, precisely positioned itself in green development sectors, and continuously consolidated its industry-leading position.

5. Pharmaceutical and medical sector

Throughout the year, the Pharmaceutical and Medical Segment continuously advanced business structure adjustment, focused on high-value areas, strengthened professional capability building, and drove the implementation of various strategies, resulting in sustained improvement in operational quality. Pharmaceutical field: During the reporting period, the segment solidified its development foundation through strategic in-depth cultivation, reshaped its management team, and continued to attract talent with extensive industry experience, providing strong support for business development. The acquisition of a primate facility integrated the upstream and downstream of the industry chain, addressing the pain point of scarce experimental primate resources, ensuring business stability, and reducing costs while improving profitability through self-breeding and internal use. Concurrently, the implementation of lean management continuously enhanced operational efficiency. The drug testing field exhibited positive development momentum, with production capacity steadily released and service efficiency and quality progressively improving. Benefiting from the recovery of the innovative drug market, the CRO business order trend remained favorable. The Class 1 innovative drug Quisinor tablets, jointly developed by CTI Biology (Suzhou) and the Advanced Institute of Life and Health, Nanjing Branch of the Chinese Academy of Sciences, successfully passed the CDE's implicit clinical approval, demonstrating professional competence. Additionally, CTI Biology (Suzhou) successfully passed the U.S. FDA GLP on-site inspection and received positive feedback, aligning its technical service system with international standards and enabling the provision of high-quality, comprehensive services to global clients. Furthermore, the Company fully entered the biosafety field through the acquisition of Huan'an Biology, driving business expansion through acquisition and integration. Medical device field: The Company continuously increased investment, with the Suzhou Kunshan Passive Medical Device Laboratory and Large Animal Clinical Surgery Center officially commencing operations. This marks a significant leap in capability within the high-growth, high-barrier medical device service sector. Meanwhile, its service capabilities continued to gain industry recognition. The active medical device electromagnetic compatibility laboratory successfully obtained CNAS and CMA accreditations. Leveraging internationally leading compliance service capabilities in the medical device field, the Company efficiently assisted clients in achieving product compliance and market access, building competitive barriers. The business scale steadily expanded, showing a favorable development trend and achieving rapid growth. Medical testing field: Actively aligning with the industry trend from "passive treatment to proactive health", the segment promoted strategic transformation, concentrated resources on serving high-value clients, and focused on improving profitability and operational efficiency. It prioritized development in functional medicine and the broader health sector, where it is now an industry leader, maintaining stable development. Recognized for its outstanding multi-omics testing technology and significant industry contributions, it received the "Yangtze River Delta Top 30 Innovation Technology Enterprises" award. It participated in drafting the two group standards *T/CEAC 071-2024 Test Method for Efficacy in Improving Intestinal Health* and *T/CEAC 074-2024 Test Method for Food-Assisted Blood Lipid Reduction Function Applicable to Populations with Hyperlipidemia*, which were successfully approved and released. Simultaneously, it actively expanded into emerging areas such as anti-aging, receiving the "Functional Medicine Strategic Partnership Award". Its core testing projects and industry-leading advantages were recognized by multiple industry experts. In terms of professional qualifications, CTI Aipu Medical Laboratory passed the 2025 National External Quality Assessment for Somatic Mutation High-Throughput Sequencing in Solid Tumors with a perfect score. It also passed the Shanghai Breast Cancer HER2 Immunohistochemistry External Quality Assessment and the PQCC Proficiency Test for Pathological Diagnosis of Endometrial Lesions. As an industry authority, passing the PQCC assessment signifies that the Company's capabilities in related fields have received authoritative certification. The medical testing field deepened its transformation and upgrading. Initial results from strategic contraction measures are evident, with operational quality continuously improving, achieving high-quality development overall, and providing strong support for the segment's annual performance growth.

(II) Strategic expansion and emerging initiatives drive growth momentum upgrade

During the reporting period, the Company focused on deepening the implementation of its "123 Strategy". While expanding its footprint through strategic mergers and acquisitions, it achieved good progress in key strategic areas such as semiconductors, new energy vehicles, and medical devices. It also proactively laid out plans for emerging sectors like the low-altitude economy, the silver economy, and intelligent robots, driving continuous upgrades in its growth momentum.

1. Expanding diversified footprint through strategic M&A, accelerating internationalization process

During the reporting period, the Company used strategic mergers and acquisitions as a lever to advance its globalization strategy, expand its diversified business landscape, accelerate its international layout, and propel the transition from regional leadership to global presence, achieving a deeper and broader level of internationalization.

Expanding in Southeast Asia: The Company executed its strategy to “establish a presence in Southeast Asia” by completing the acquisition of a controlling stake in Openview (Shenzhen, Hong Kong, and Vietnam companies), further improving its regional service network. With rising ESG demands, supply chain auditing presents significant development opportunities. Openview possesses strong qualifications and comprehensive service capabilities. This M&A enriches the Company’s international auditing credentials, enhances its global layout for social responsibility and environmental auditing services, and builds advantages in premium sectors like international sports brands.

Expanding in the African market: The Company completed the full acquisition of South Africa’s Safety, successfully closing the transaction in September 2025, marking a significant milestone in its internationalization strategy. With over 70 years of industry experience, Safety is an authoritative institution in food safety and HSEQ in Africa, boasting an extensive service network and client base. This acquisition will use South Africa as a hub to significantly enhance the Company’s service capabilities in Africa and the Middle East, deepening its market penetration in Africa.

Deepening Presence in the European Market: The Company completed the acquisition of controlling stakes in Greece’s Emicert and France’s MIDAC laboratory. Among these, Emicert, as Greece’s first third-party GHG verification body, holds qualifications covering all of Europe, filling the Company’s gap in providing conformity assessment services for greenhouse gases within the EU. It offers compliance and “carbon peaking and carbon neutrality” solutions for Chinese enterprises expanding overseas, demonstrating the strategic value of its “presence in Europe” move. Simultaneously, the full acquisition of France’s MIDAC laboratory solidifies the Company’s position in the French market, strengthens its international network for daily chemical product testing, and creates synergies with the Emicert acquisition, completing its European business matrix.

The Company completed the full acquisition of ALS Chemex Guangzhou (the China branch of the ALS Group), marking a crucial step in its geochemical testing layout and strengthening its domestic foundation for globalization. This acquisition extends the Company’s material analysis and testing capabilities, addressing previous gaps in geochemical analysis. ALS Chemex Guangzhou is one of China’s earliest institutions specializing in this field, with strong technology and reputation, highly aligned with the Company’s strategy. By integrating the strengths of both parties, the Company will enhance its comprehensive service capabilities, providing precise testing solutions for global clients, boosting revenue growth, and consolidating its industry leadership position.

In summary, the series of high-quality strategic mergers and acquisitions during the reporting period not only rapidly established a physical service network spanning Asia, Europe, and Africa but also secured international qualifications in cutting-edge fields such as carbon emission verification (CBAM) and supply chain social responsibility auditing. This provides a full-chain “one-stop compliance solution” for the global expansion of Chinese new energy vehicles, high-end manufacturing, and green products. Integration of the acquired entities is progressing smoothly, and their performance potential is expected to be gradually realized. Looking ahead, the Company will deepen synergy integration, explore more overseas targets, improve its global network, enhance its international competitiveness, and build momentum for long-term development.

2. proactive layout in emerging sectors, cultivating future growth drivers

Leveraging its multi-segment synergy advantages, the Company has proactively laid out plans in emerging fields such as the low-altitude economy, the silver economy, and intelligent robots, building an ecosystem of cross-segment comprehensive service capabilities.

Low-altitude economy: The Company has seized the strategic opportunity presented by the national “low-altitude economy” initiative. It has completed the construction of foundational testing capabilities for drones, including reliability, electromagnetic compatibility, and materials. It established a low-altitude industry testing laboratory in Suzhou. The Company is advancing the acquisition of airworthiness certification qualifications from the EASA, has initiated cooperation with leading enterprises on eVTOL performance and reliability verification testing, and is collaborating with universities and research institutions on industry-academia-research partnerships. These efforts aim to build airworthiness certification service capabilities and improve the testing and certification capacity system for the low-altitude economy.

Silver economy: In response to the aging population trend and the rising demand for upgraded health consumption, the Company has proactively entered the silver economy sector. It has completed research on sub-markets including elderly care services, medical health, senior products, and food, developing targeted service packages. These cover elderly care service certification, early cancer screening and Alzheimer’s gene testing, testing of age-appropriate products, and functional food verification. Building on its foundation in functional medicine, the Company has established multi-dimensional silver health testing services covering genes, proteins, etc., and created integrated online-offline health management solutions. It led the release of group standards for age-appropriate food and products, aiming to gain a first-mover advantage by leading in standardization.

Intelligent robots: The Company closely monitors development trends in emerging fields like humanoid robots, conducting preliminary technical preparation and business planning. It is gradually expanding robot-related testing services. In 2025, the Company’s Intelligent Robot Testing and Certification Center established a full-lifecycle robot testing system. It can provide testing services for certain robot products, including electrical safety, electromagnetic compatibility, performance testing, and environmental reliability. The Company has already established cooperation with enterprises in the robots field in certain areas, steadily advancing the implementation and optimization of related testing technologies and further improving its robot testing service capabilities. Facing the rapid iteration of the intelligent robots industry, the Company will continue to track industry commercialization progress, increase investment and strategic planning as appropriate, perfect its testing and certification capability system, and seize opportunities for future growth.

(III) Deepening digital-intelligent transformation and lean management to continuously enhance operational efficiency

The Company consistently regards innovation as the core strategy driving sustainable enterprise development. Leveraging cutting-edge technological innovation, it fully promotes the optimization and upgrading of its business models and significantly enhances operational efficiency. Amidst the sweeping wave of digitalization and artificial intelligence, the Company deeply integrates digital-intelligent technologies with lean management principles, constructing an intelligent, data-driven modern management system. It utilizes digital means to improve service quality, optimize client experience, and solidify the foundation for advancing towards high-quality development.

1. Digital-intelligent transformation – AI empowerment, reshaping operations and business ecosystem

In the process of AI-driven digital transformation, the Company has formulated a clear technological roadmap: Initially supported by machine vision and data mining, it gradually introduces advanced technologies such as large language models, covering multi-domain AI applications to drive the intelligent upgrade of inspection and testing services. In terms of system architecture, a four-layer collaborative system of “Physical Layer – Data Layer – Algorithm Layer – Application Layer” has been constructed, forming a closed-loop architecture where the “technological foundation supports business applications”. Leveraging this architecture and the dual-modal “vision + text” AI technology, the Company has achieved multi-dimensional breakthroughs, enabling the provision of reusable “AI + Testing” solutions. Regarding the implementation of AI application scenarios, the Company has applied AI technology to areas such as report review, visual recognition, knowledge management, and intelligent Q&A, continuously optimizing business processes. Implemented projects include AI-powered intelligent order classification, drug stimulation experiment identification, and LIMS data intelligent query based on large models and database technology. Among these, the LIMS data intelligent query has been fully deployed in the Consumer Products Business Unit and will be gradually promoted across the entire Group, effectively addressing pain points in real-time business queries. Additionally, the consumer product label review function, based on deep learning and large model technology, has also been implemented, further enhancing business processing efficiency. Ongoing R&D projects include marine organism identification, environmental report review, and intelligent label review, continuously expanding the application boundaries of AI technology.

The Company will vigorously expand the application of AI technology in laboratory testing, establish pilot projects for AI application scenarios, host AI competitions, and encourage all employees to participate in AI innovation practices, continuously exploring the potential of AI applications. Specific directions include deepening the intelligence of client service, advancing the digital transformation of internal management, such as AI defect detection, anomaly detection, intelligent identification of testing needs, and intelligent scheduling optimization. Concurrently, as new technologies develop, the Company will actively evaluate application scenarios and collaboration possibilities in operations and business development, continuously increase investment in technological R&D, and steadily enhance its technical capabilities and service levels to provide clients with higher-quality and more efficient testing services. The Company deeply recognizes that the key to the deep application of AI technology in the inspection and certification industry lies in the adaptation of organizational culture and the transformation of management models. It promotes comprehensive adaptation of organizational structure, decision-making processes, and talent capabilities to the requirements of the AI era, integrates AI thinking into the capacity building of all employees, and unleashes the value of technology through organizational change.

2. Lean management: Continuous deepening to enhance operational efficiency

During the reporting period, the Company continued to deepen the concept of lean management, advancing Lean 2.0 initiatives. It promoted the comprehensive penetration of lean management through project implementation, talent development, and cultural cultivation, effectively enhancing operational efficiency.

Significant achievements in lean projects: The Company clarified lean development goals and implementation plans, continuously promoted the implementation of lean projects in laboratories, and completed the first phase of improvements in several laboratories, including Shunde Chemical and Nanjing Food, the second phase in Nanchang Environmental, and the fourth phase in Shenzhen Chemical and Shanghai Chemical. Each laboratory optimized core operational processes through lean methodologies, reduced process waste, improved testing response speed and data accuracy, and fulfilled commitments to high-quality service. Simultaneously, lean management was introduced into six acquired companies, including VESP and Maritec, helping them optimize operational processes and enhance management levels, yielding positive results. Furthermore, by conducting order loss analysis workshops, the sales team was encouraged to establish a regular analysis mechanism, connecting with client-side needs and extending lean management to the business front end.

Comprehensive lean talent development system: The Company built a multi-level lean talent development matrix. It successfully completed the Group Lean Leader Training Camp project, forging a specialized team proficient in refined management through diverse courses and rich learning activities, accelerating the implementation of lean improvement projects. Concurrently, specialized training camps in 5S, TWI-JM (Job Methods), and KATA (problem-solving) were conducted, focusing respectively on workplace standardization, work process optimization, and problem-solving capabilities, solidifying the talent foundation for lean management. Several internal trainers and coaches were cultivated, preparing core talents for Lean 2.0 development. Additionally, through methods like business unit-specific training, the penetration of lean concepts within management teams was promoted, enhancing managers’ lean leadership capabilities.

Enhanced lean awareness among all employees: The Company launched multiple company-wide lean projects, such as improvement proposals and energy-saving initiatives, covering most laboratories. Among these, the improvement proposal system, as a core initiative for company-wide lean management, encourages employees to suggest improvements based on their positions through a comprehensive process mechanism, achieving “small improvements, significant benefits”. This not only saves operational costs and improves efficiency but also fosters a culture of continuous improvement within the entire company, injecting endogenous momentum for high-quality development.

The Company will continue to advance the upgrade of lean management, promote deep integration of lean methodologies with digital-intelligent and automation technologies, further optimize team building, decompose organizational goals to the grassroots level, and increase the parallel replication and promotion of outstanding lean projects. This will continuously activate the organization’s endogenous drive and elevate operational efficiency to a new level.

(IV) Systematic implementation of the “talent refinement program” to enhance organizational innovation vitality

The Company consistently upholds the concept of sustainable development, continuously improves its talent development system, deepens organizational capability building, and constructs a talent development framework of “One Foundation, Two Wings, Three Pillars”. This comprehensively enhances team effectiveness and management efficiency, providing solid support for strategy implementation. In 2025, the Company focused on talent pipeline development and organizational capability enhancement, coordinating and advancing several core talent development projects, achieving significant results. In talent pipeline development, the Company continuously improved its tiered and categorized training system, covering grassroots, mid-level, and core management teams. At the Group level, it developed key talent programs such as “Climb to Win” and “Guanghua-LAP”, precisely empowering frontline managers and mid-to-junior key personnel. These programs strengthen management capabilities, strategic understanding, and execution, promoting a professional, younger, and well-structured management team. Among them, “Climb to Win” underwent a comprehensive upgrade, covering 520 frontline managers, helping the grassroots management team solidify their management foundations and enhance execution efficiency, building a critical link for the Group’s organizational capability development. The Group talent development program “Guanghua-LAP” focused its efforts, targeting the cultivation of 34 mid-to-junior managers, promoting role transformation and capability breakthroughs, and strengthening the core effectiveness of the mid-to-junior management pipeline. Each business unit, centering on key themes such as strategy implementation, business synergy, and personnel efficiency improvement, conducted 35 customized projects. These included critical courses like “123 Strategy Workshop”, “Leadership Sandbox”, “Project Management Sandbox”, and “Personnel Efficiency and Incentives”, covering nearly 1,000 key core talents. This effectively enhanced the job competency of key positions and the level of cross-departmental collaboration. Simultaneously, targeted training empowerment effectively facilitated the deep integration between the Company and its post-investment enterprises, ensuring the implementation of Group strategic synergies. The learning organization initiative CTI Learning Circle continued to exert influence, with nearly 9,000 participations in various activities throughout the year. It fostered a positive atmosphere of whole-staff learning and collective progress, further solidifying the foundation for talent cultivation. In enhancing organizational effectiveness, the Company made personnel efficiency improvement a key project for leaders of each unit, establishing a dynamic monitoring system and launching a personnel efficiency dashboard to achieve data visualization and normalized early warning. By optimizing human resource models, promoting flexible staffing, strengthening lean management, and advancing digital and AI applications, the Company continuously improved per capita output, equipment utilization, and output per unit area, directing resources towards high-output, high-efficiency businesses. It resolutely implemented “subtraction” for low-efficiency operations and unprofitable laboratories, optimizing resource allocation and improving overall operational quality. In organizational synergy and mechanism innovation, the Company strengthened matrix management and cross-departmental collaboration, establishing dedicated city business synergy task forces and launching pilots in key cities. This achieved breakthroughs in cross-business unit, cross-regional, and cross-product line business collaboration. By improving incentive mechanisms, building collaboration platforms, and strengthening performance-driven guidance, departmental barriers were broken down, enhancing comprehensive service capabilities for key accounts and overall market competitiveness. In culture and leadership development, the Company adhered to core principles of long-termism, result orientation, client centricity, and teamwork. It strengthened managers’ sense of responsibility, encouraged them to engage closely with frontline operations and clients, and drove organizational growth through practical capabilities. The Company encouraged talent mobility across departments, regions, and overseas entities, broadened career development paths, and increased the reserve of versatile talent, laying a human resources foundation for international development. During the reporting period, employee stability continued to strengthen, talent structure was continuously optimized, and the number of core key personnel and senior talents grew steadily. Organizational vitality, execution capability, and strategic resilience significantly improved, providing strong talent assurance and organizational support for the Company’s high-quality and sustainable development.

2. Revenue and costs

(1) Composition of operating revenues

Overall operating revenues

Unit: CNY

	2025		2024		Year-on-year change
	Amount	Proportion of operating revenues	Amount	Proportion of operating revenues	
Total operating revenues	6,620,735,906.71	100%	6,084,016,542.19	100%	8.82%
By industry					

Technical services	6,620,735,906.71	100.00%	6,084,016,542.19	100.00%	8.82%
By product					
Life sciences	2,910,149,898.27	43.96%	2,840,674,286.25	46.69%	2.45%
Industrial testing	1,376,118,373.06	20.78%	1,204,062,501.84	19.79%	14.29%
Consumer products testing	1,127,273,733.99	17.03%	988,004,869.88	16.24%	14.10%
Trade assurance	879,983,961.98	13.29%	763,928,702.56	12.56%	15.19%
Pharma and medical services	327,209,939.41	4.94%	287,346,181.66	4.72%	13.87%
By region					
China	6,126,457,538.25	92.53%	5,717,234,611.54	93.97%	7.16%
Outside China	494,278,368.46	7.47%	366,781,930.65	6.03%	34.76%
By sales mode					
Direct sales	6,620,735,906.71	100.00%	6,084,016,542.19	100.00%	8.82%

(2) Information on industries, products, regions, or sales models accounting for 10% or more of the Company's operating revenue or operating profit

☑Applicable ☐Not applicable

Unit: CNY

	Operating revenue	Operating cost	Gross profit margin	Year-on-year change in operating revenue	Year-on-year change in operating cost	Year-on-year change in gross profit margin
By industry						
Technical services	6,620,735,906.71	3,401,869,926.29	48.62%	8.82%	10.66%	−0.85%
By product						
Life sciences	2,910,149,898.27	1,452,625,405.38	50.08%	2.45%	3.13%	−0.34%
Industrial testing	1,376,118,373.06	789,228,220.38	42.65%	14.29%	19.73%	−2.60%
Consumer products testing	1,127,273,733.99	650,343,807.94	42.31%	14.10%	16.57%	−1.22%
Trade assurance	879,983,961.98	257,379,095.23	70.75%	15.19%	17.02%	−0.46%
Pharma and medical services	327,209,939.41	252,293,397.36	22.90%	13.87%	10.34%	2.47%
By region						
Domestic	6,126,457,538.25	3,095,302,083.42	49.48%	7.16%	10.40%	−1.48%
Overseas	494,278,368.46	306,567,842.87	37.98%	34.76%	13.32%	11.74%
By sales mode						
Direct sales	6,620,735,906.71	3,401,869,926.29	48.62%	8.82%	10.66%	−0.85%

Adjusted key operating data of the Company for the most recent year under the statistical calibration as of the end of the reporting period

☐Applicable ☑Not applicable

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

☐Yes ☑No

(4) Status of performance of major sales contracts and major procurement contracts signed by the Company as of the end of the reporting period

☐Applicable ☑Not applicable

(5) Operating cost composition

Industry category

Unit: CNY

Industry category	Items	2025		2024		Year-on-year change
		Amount	Proportion of operating cost	Amount	Proportion of operating cost	
Technical services	Employee compensation	1,367,407,733.13	40.20%	1,258,304,382.81	40.93%	8.67%
Technical services	Depreciation and amortization	415,044,784.21	12.20%	387,525,722.07	12.61%	7.10%
Technical services	Outsourcing fees	479,649,446.12	14.10%	455,750,700.62	14.83%	5.24%
Technical services	Laboratory consumables	373,892,681.58	10.99%	325,341,787.89	10.58%	14.92%
Technical services	Rent and utilities	159,647,552.88	4.69%	140,912,692.19	4.58%	13.30%
Technical services	Others	606,227,728.37	17.82%	506,339,408.58	16.47%	19.73%
Total		3,401,869,926.29	100.00%	3,074,174,694.16	100.00%	10.66%

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 consolidated financial statements during the current period increased by 34 and decreased by 7. Details regarding changes in the scope of consolidation are provided in Note VIII. note 9,, “Changes in the Scope of Consolidation” of this report.

(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

Major client information

Total sales amount of top five clients (CNY)	184,990,636.20
Proportion of total sales amount of top 5 clients to total annual sales revenue	2.79%
Proportion of related party sales within top 5 clients’ sales amount to total annual sales revenue	0.00%

Information on the Company’s top 5 clients

No.	Client name	Sales amount (CNY)	Proportion of total annual sales amount
1	Client 1	100,788,320.08	1.52%
2	Client 2	26,050,853.17	0.39%
3	Client 3	24,243,960.00	0.37%
4	Client 4	19,544,383.12	0.30%
5	Client 5	14,363,119.83	0.22%
Total	--	184,990,636.20	2.79%

Additional information on major clients

☐Applicable ☑Not applicable

Information on the Company’s major suppliers

Total procurement amount of top 5 suppliers (CNY)	304,670,905.63

Proportion of total procurement amount of top 5 suppliers to total annual procurement	10.20%
Proportion of related-party procurement within top 5 suppliers' procurement to total annual procurement	0.00%

Information on the Company's top 5 suppliers

No.	Supplier name	Purchase amount (CNY)	Proportion of total annual purchase
1	Supplier 1	108,683,109.46	3.64%
2	Supplier 2	73,099,337.55	2.44%
3	Supplier 3	56,435,702.33	1.89%
4	Supplier 4	34,594,912.09	1.16%
5	Supplier 5	31,857,844.20	1.07%
Total	--	304,670,905.63	10.20%

Additional information on major suppliers

☐Applicable ☑Not applicable

The proportion of trade business revenue to operating revenue exceeds 10% during the reporting period

☐Applicable ☑Not applicable

3. Expenses

Unit: CNY

	2025	2024	Year-on-year change	Description of major changes
Selling expenses	1,096,339,769.10	1,040,365,650.38	5.38%	
General and administrative expenses	413,639,427.53	370,423,438.51	11.67%	
Finance costs	18,245,641.59	4,014,897.19	354.45%	Primarily due to the increase in foreign exchange expenses during this period
R&D costs	578,860,300.02	529,292,294.38	9.36%	

4. R&D investment

☑Applicable ☐Not applicable

Major R&D project name	Program objective	Progress status	Target goals	Expected impact on the Company's future development
An Image Acquisition Device	To develop an image acquisition device that addresses issues such as glare, reflection, and insufficient brightness during image capture, which are caused by using a single-structured light source for cameras at different positions. This resolves the inability to meet varying supplementary lighting needs at different shooting positions, thereby improving imaging quality.	Patent granted, Application No.: 202211333234.9	File and obtain patent authorization	This innovation equips cameras at different shooting positions with light sources of varying structures, meeting diverse supplementary lighting needs and improving imaging quality. It will enhance the accuracy of the Company's identification and inspection processes for product packaging, thereby strengthening detection capabilities in this field.
A Method for Qualitative	To develop a method for	Patent granted,	File and obtain patent	The method can

and Quantitative Analysis of Metal Cyanides in Water Bodies	the qualitative and quantitative analysis of metal cyanides in water, addressing the complexity, inefficiency, and inaccuracies of traditional spectrophotometric methods, as well as the susceptibility to electroactive substances and high maintenance costs of electrochemical methods.	Application No.: 202411587893.4	authorization	simplify the complex electrochemical testing process, reduce equipment costs, and enhance the Company's capability in qualitative and quantitative water sample analysis as well as rapid on-site testing.
A Flocking Fabric Shedding Testing Device	To develop a flocking fabric shedding testing device for addressing the limitations of current methods for assessing shedding in flocking fabrics, which rely on a single assessment indicator and are dependent on the subjective judgment of testers, often resulting in significant deviations between test results and actual user experience.	Patent granted, Application No.: 202510214479.7	File and obtain patent authorization	The device can effectively enhance the reliability and accuracy of test results, strengthening the Company's competitiveness in the field of flocking fabric shedding testing.
A Glucose Biosensor as well as Its Preparation Method and Application	To develop a glucose biosensor with stable electrochemical performance, capable of reflecting blood glucose levels by analyzing glucose concentration in human sweat, thereby monitoring trends in blood glucose variation. This addresses technical issues of existing biosensors, which not only have poor electrochemical performance but may also suffer from functional layer delamination, severely limiting their operational lifespan.	Patent granted, Application No.: 202510399020.9	File and obtain patent authorization	This development will lay the foundation for producing products for human blood glucose detection, enhance the Company's capabilities in pain-free glucose monitoring products, and offer significant potential economic benefits.
A Fabric Unwinding Device	To develop a fabric unwinding device for addressing the shortcomings of traditional equipment, which lacks an adaptive control mechanism and requires operators to manually adjust the rotation speed of the guiding roller to maintain dynamic balance. This not only increases labor intensity but also risks tension imbalance, deviation of the unwinding path, and, as	Patent granted, Application No.: 202510572231.8	File and obtain patent authorization	The device will effectively improve fabric unwinding efficiency and ensure the accuracy of subsequent test data, enhancing the Company's core competitiveness in the field of fabric fiber composition testing.

	the unwinding point of the fabric dynamically shifts with progress, further reduces path stability, potentially causing yarn breakage or structural damage and affecting the accuracy of subsequent test data.			
A Sole Abrasion Resistance Testing Device and Method	To develop a testing device and method for shoe sole abrasion resistance for addressing the limitations of traditional rotational friction methods, where a single friction direction fails to simulate the compound friction conditions of varying angles and loads in real gait, resulting in an inability to accurately replicate actual shoe sole wear, and consequently, unreliable test results.	Patent granted, Application No.: 202510803344.4	File and obtain patent authorization	This will enhance the Company's core competitiveness in footwear quality testing and improves economic efficiency.
A Flexible Lactic Acid and pH Dual-Function Sensor as well as Its Preparation Method and Application	To develop a flexible lactate and pH dual-function sensor for addressing current wearable sweat sensor issues, including low integration, unstable bio-recognition capability, and insufficient interface adaptability.	Patent granted, Application No.: 202510864483.8	File and obtain patent authorization	This will lay the foundation for the development of multi-parameter smart diagnostic devices, with potential for expansion to test additional sweat biomarkers, thereby enhancing the Company's testing capabilities and economic returns in related business areas.
A Test Method for Aldehyde and Ketone Compounds in Air	To develop a test method for aldehyde and ketone compounds in air to expand the simultaneous detection and analysis of multiple aldehyde and ketone compounds by high-performance liquid chromatography (HPLC), addressing limitations in separating and accurately quantifying 26 common aldehyde and ketone compounds in air quality testing, which affect accuracy, efficiency, and HPLC applicability in multi-compound analysis.	Patent granted, Application No.: 202511188153.8	File and obtain patent authorization	This will improve the Company's efficiency in atmospheric, indoor, and in-vehicle air quality testing, reduce energy consumption, and lower costs.
An In Vivo Skin Optical Testing Device	To develop an in vivo skin optical testing device for addressing the risks of losing activity and introducing iatrogenic damage when analyzing skin structural and compositional information	Utility model patent granted, Application No.: 202421437775.0	File and obtain patent authorization	This will lay the foundation for non-invasive 3D structural and compositional skin detection, with significant market potential.

	via tissue slicing, which limits practical application.			
A Metal Cyanide Detection Chip	To develop a metal cyanide detection chip to resolve inefficiencies in spectrophotometric detection, which requires pre-processing of each sample, making the testing procedure cumbersome and time-consuming, thus affecting detection efficiency.	Utility model patent granted, Application No.: 202422720657.7	File and obtain patent authorization	This will effectively enhance the Company's efficiency in detecting metal cyanides in wastewater, achieving cost reduction and efficiency improvement in the related field.
Hazardous Substance Restriction Requirements for Electrical and Electronic Products	To provide fundamental standards for green and compliant production in the industry, the project investigates and defines the scope of restricted harmful substances, their content thresholds, and the testing criteria in electrical and electronic products, which are widely used in production, daily life, and industrial fields, while standardizing the relevant technical requirements.	These requirements have been published as mandatory national standards.	To establish a unified compulsory control system for hazardous substances in electrical and electronic products, supporting environmental policy implementation and safeguarding ecological and human health.	This will enhance the Company's industry influence in electronic and electrical product testing, establish a professional compliance testing image, and strengthen competitive advantage in the electronics manufacturing testing value chain.
Dried Red Jujubes - Specification and Test Methods	To break international trade technical barriers, the project investigates the current status and trade demands of the global dried jujube industry, which is a characteristic agricultural product of China, widely used in direct consumption, food processing, and as gifts. The project also standardizes product specifications, quality indicators, and test methods.	Published as an international standard	This will form a unified global quality evaluation standard for dried red jujubes, regulating international circulation and enhancing the global recognition of characteristic agricultural product of China.	This strengthens the Company's voice in international agricultural product standardization, expands global testing and compliance consulting services, and enhances international market competitiveness.
Nanomanufacturing - Key Control Characteristics of Luminescent Nanomaterials - Part 2: Quantum Dot Quality Measurement in Dispersions	To support quality control in the nanomanufacturing industry, the project investigates the quality-impacting factors and current testing technologies of quantum dots in dispersions, which are widely used in emerging fields such as displays, lighting, sensing, and biomedicine. The project aims to establish scientific measurement methods, evaluation indicators, and quality control requirements.	Published as a national standardization guideline technical document	To provide precise and reliable testing specifications for quantum dot quality, filling gaps in industry standards and guiding standardized development.	This will consolidate the Company's technical advantages in emerging nanomaterial testing, attract high-end manufacturing collaborations, and expand high-value testing business opportunities.
Systems and Software	Software products	Published as a	To establish a	This will enhance the

Engineering - Process Assessment - Software Testing Process Assessment Model	permeate finance, healthcare, industry, and the internet. The project investigated the current state of software testing and enterprise requirements, establishing assessment indicators, implementation processes, and determination methods for software testing processes, providing technical support for software quality improvement.	recommended national standard	standardized software testing process assessment system for helping enterprises optimize testing procedures, reducing development risks, and improving software product quality stability.	Company's professional recognition in software engineering testing, expands clientele in internet and fintech fields, and increases market share in information technology testing.
Electronic Gases - Inert Rare Gases	To standardize core indicators such as purity, impurity content, and stability, as well as corresponding test methods, the project investigates the quality requirements of inert rare gases in various application scenarios. These gases are key raw materials for high-end industries such as electronics, semiconductors, photovoltaics, and aerospace.	Published as a recommended national standard	To establish unified quality determination standards for inert rare gases, meeting the high-precision usage requirements of advanced manufacturing industries and ensuring the safety of the industrial and supply chains.	This will enable entry into the high-end electronic materials testing market, serving leading semiconductor and electronics manufacturers, and strengthening core competitiveness in industrial materials testing.
Test Method for Key Chemical Substances in Consumer Products - Part 9: Hexabromocyclododecane	To clarify the sample pretreatment process, instrument parameter settings, and result determination standards, the project develops accurate detection methods for hexabromocyclododecane, which is widely found in consumer products such as textiles, furniture, plastics, and building materials.	Published as a recommended national standard	To achieve rapid screening and accurate quantification of hexabromocyclododecane in consumer products, providing reliable technical support for industry regulation and corporate quality control.	This will consolidate the Company's technical authority in chemical safety testing of consumer products and expand testing collaborations in daily chemicals, home goods, as well as textiles, thereby enhancing credibility in public safety testing.
Implementation, Maintenance, and Improvement of the GB/T 23331 Energy Management System Guidelines	To provide standardized guidance for enterprises, the project investigates the energy consumption characteristics and management status across various industries, and formulates the implementation process, maintenance mechanisms, and improvement pathways for the energy management system. Energy management is a key component for enterprises to reduce costs, increase efficiency, and achieve green transformation.	Published as a recommended national standard	To assist enterprises in establishing scientific energy management models, enhancing energy utilization efficiency, and supporting the achievement of "carbon peaking and carbon neutrality" objectives.	This will expand integrated consulting and testing services for industrial energy management, align with national green development policies, and identify market growth opportunities under policy incentives.

Technical Guidelines for Fresh Edible Agricultural Product Packaging	To standardize the selection of packaging materials, process design, preservation technologies, and labeling requirements, the project investigates the packaging needs at various stages of fresh food distribution. Fresh agricultural products are directly related to food safety and quality, and are widely used in retail supermarkets, e-commerce, and agricultural markets.	Published as a recommended national standard	To establish a packaging quality evaluation system for fresh edible agricultural products, extend their shelf life, and reducing circulation losses, thereby ensuring product safety and quality.	This will penetrate the testing business of fresh food e-commerce and leading agricultural enterprises, aligning with the development needs of the fresh produce industry, and expanding the coverage of the testing market in the public welfare field.
General Rules for Canning Media of Fruit Cans	To standardize the composition indicators, sanitary requirements, and test methods of the canning medium, the project investigates the production processes and market status of canned fruits. The canning medium directly affects product quality, shelf life, and food safety, and fruit cans are a popular convenience food.	Published as a recommended national standard	To unify quality requirements for fruit can canning media, thereby improving product quality stability and regulating industry production practices.	This will attract partnerships with food processors and supermarket chains, thereby expanding full-chain testing services for canned foods and enhancing professional coverage in food testing.
Comprehensive Energy Consumption Calculation Methods and Graded Quotas for Silk Weaving Enterprises	To guide enterprises in energy conservation, consumption reduction, and green transformation, the project investigates the energy consumption status and energy-saving potential of silk weaving enterprises, which are an important part of the textile industry. It also develops energy consumption calculation scopes, methods, and classification standards.	Published as an industry standard	Establish a scientific energy consumption evaluation system for silk weaving enterprises, promote green and low-carbon development in the industry, and support “carbon peaking and carbon neutrality” objectives.	This will expand energy conservation testing and consumption assessment services for textile enterprises, aligning with green textile trends and enhancing competitiveness in the energy conservation service field.
Study on the Relationship Model Between Sensory Attributes of Essence Products and Consumer Evaluation	To shorten the development cycle and reduce costs, this project develops an AI model that predicts consumer evaluations based on the sensory characteristics of essence products. By combining sensory data with consumer feedback, it provides scientific support for cosmetics companies in research and development, marketing, and quality control.	Research outcomes achieved	To construct a model with over 80% prediction accuracy, produce validation reports, application guidelines, and software tools to enable effective implementation.	This will enhance competitiveness in fast-moving consumer products sensory research, thereby strengthening client viscosity and expanding market share.
Methodological Study on the Application of Two-Photon Microscopy in Cosmetics Efficacy Evaluation	This project studied the methodology and application of two-photon microscopy in evaluating cosmetic efficacy,	Research outcomes achieved	To establish a standardized testing system, extract key indicators, and implement multi-efficacy	This will strengthen laboratory core competitiveness, expand high-value testing services, and

	enhancing the scientific rigor and visualization of assessments for firming, whitening, and soothing effects, filling non-standard testing gaps.		applications.	drive operating revenue growth and industry influence.
Development of Automotive Qualification Test Methods for Passive Components	To develop test and certification methods for passive automotive components, thereby improving reliability and safety of key electronic parts and filling gaps in domestic standard implementation.	Research outcomes achieved	To establish a scientific, efficient, and standardized testing system, thereby providing reliable quality assurance for passive components entering the automotive supply chain.	This will enhance service competitiveness, thereby expanding the new energy vehicle testing market and supporting strategic company upgrades.
Development of Ultra-Low Temperature Probe Calibration System	To develop an ultra-low temperature probe calibration system with improved calibration efficiency and accuracy for the purpose of meeting high-demand scenarios in cold chain and medical industries.	Research outcomes achieved	To increase daily calibration capacity nearly fivefold, with report error rates approaching zero.	This will enhance high-end testing service capabilities, thereby expanding major client orders as well as driving operating revenue growth and technological barrier construction.
Development of Database Security Audit System	To develop a database security audit system to meet comprehensive monitoring and risk warning requirements for database operations by graded protection evaluation institutions, thereby enhancing data security protection capabilities.	Research outcomes achieved	To achieve multi-database heterogeneous support, real-time alerts, and intelligent analysis, significantly reducing false positive rates.	This will enhance information security service capabilities, thereby expanding government and enterprise client markets as well as strengthening industry competitiveness.
Innovative Study on Analysis of Multiple Aldehyde and Ketone Compounds in Vehicle Cabin Air	To develop HPLC analysis methods for multiple aldehyde and ketone compounds in vehicle cabin air, enabling accurate simultaneous separation and quantification of dozens of target compounds for the purpose of meeting stringent requirements of premium automotive manufacturers.	Research outcomes achieved	To develop test methods for multiple aldehyde and ketone compounds in vehicle air and verify precision and repeatability, thereby producing replicable non-standard methods.	This will consolidate the Company's leading position in automotive testing, expand the high-end client market, and increase the proportion of high-value services.
Preclinical Genetic Toxicology Study of THM401	To conduct preclinical genetic toxicology studies of THM401 for the purpose of systematically assessing its genotoxicity risk, thereby providing critical safety data for new drug registration.	Research outcomes achieved	To complete a series of genetic toxicity test methods and produce compliant assessment reports.	Enhance GLP laboratory influence, strengthen drug safety assessment services, and expand collaborations with high-end pharmaceutical clients.
Study on Atrasentan Active Pharmaceutical Ingredient	Atrasentan is a selective small-molecule endothelin-A receptor antagonist. To develop the Atrasentan active pharmaceutical ingredient, enabling early strategic positioning for first-tier entry after patent	Research outcomes achieved	To develop manufacturing processes, analytical methods, and specifications for Atrasentan API, achieving conditions for practical application.	This will enhance the Company's technical competitiveness in the API field and potentially reduce API and formulation costs, thereby alleviating patient economic burden.

	expiration.			
Study on AI Applications in Biopsy Tissue Pathology Diagnosis	To develop a deep learning-based intelligent pathology slide reading system for addressing the shortage of pathologists and the high volume of biopsy pathology, thereby enhancing laboratory automatic screening capabilities, shortening reporting cycles, reducing testing costs, and creating digital pathology products as transferable technological assets.	Research outcomes achieved	To significantly improve diagnostic accuracy, greatly shorten the analysis time per slide, and establish internal operating standards.	This will strengthen competitiveness in clinical pathology services, expand the AI pathology service market, and promote the Company's digital transformation and regional healthcare industry development.
Intelligent Mass Spectrometry Spectrum Alert System	To develop an intelligent alert system for mass spectrometry spectra, utilizing AI technology for overcoming industry bottlenecks of low efficiency and poor consistency in manual review under large-scale testing scenarios, thereby enhancing laboratory operational efficiency and quality.	Research outcomes achieved	To reduce manual rechecking pressure and establish a reusable intelligent review knowledge base, developing transferable technological assets.	This will build core digital assets and strengthen competitiveness in testing services, thereby laying the foundation for industry-level solution development.

R&D personnel in the Company

	2025	2024	Variance proportion
Number of R&D personnel (persons)	2,176	2,163	0.60%
Proportion of R&D personnel	15.20%	15.99%	−0.79%
Bachelor's degree	1,366	1,395	−2.08%
Master's degree	231	230	0.43%
Others	579	538	7.62%
Below 30	768	786	−2.29%
30-40	1,122	1,164	−3.61%
Above 40	286	213	34.27%

Company's R&D investment amount and its proportion to operating revenue in the past three years

	2025	2024	2023
R&D investment amount (CNY)	580,677,902.98	529,292,294.38	472,621,671.34
R&D investment as % of operating revenue	8.77%	8.70%	8.43%
Capitalized R&D expenditure (CNY)	1,817,602.96	0.00	0.00
Capitalized R&D expenditure as % of R&D investment	0.31%	0.00%	0.00%
Capitalized R&D expenditure as % of net profit for the period	0.18%	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	2025	2024	Year-on-year change
Subtotal of cash inflows from operating activities	7,051,447,194.87	6,078,476,892.89	16.01%
Subtotal of cash outflows from operating activities	5,680,146,698.27	5,015,576,956.06	13.25%
Net cash flows from operating activities	1,371,300,496.60	1,062,899,936.83	29.02%
Net cash flow from operating activities	1,791,747,613.24	516,423,613.42	246.95%
Subtotal of cash outflows from investment activities	2,405,161,303.19	1,796,242,882.06	33.90%
Net cash flows from investing activities	−613,413,689.95	−1,279,819,268.64	52.07%
Subtotal of cash inflows from financing activities	64,234,199.61	14,176,679.14	353.10%
Subtotal of cash outflows from financing activities	450,196,420.59	376,332,515.71	19.63%
Net cash flows from financing activities	−385,962,220.98	−362,155,836.57	−6.57%
Net increase in cash and cash equivalents	371,044,061.45	−574,501,284.11	164.59%

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

☑Applicable ☐Not applicable

[Subtotal of cash inflows from investing activities]: Increased by 246.95% year-on-year, mainly due to higher principal receipts from wealth management products during the reporting period compared to the previous year.

[Subtotal of cash outflows from investing activities]: Increased by 33.90% year-on-year, mainly due to higher principal payments for wealth management products during the reporting period compared to the previous year.

[Net cash flows from investing activities]: Increased by 52.07% year-on-year, mainly due to higher net principal receipts from wealth management products during the reporting period compared to the previous year.

[Subtotal of cash inflows from financing activities]: Increased by 353.10% year-on-year, primarily due to increased borrowings obtained during the reporting period compared to the previous year.

[Net increase in cash and cash equivalents]: Increased by 164.59% year-on-year, primarily driven by the combined effects of the aforementioned operating, investing, and financing activities during the reporting period.

Explanation for significant differences between net cash flow from operating activities and net profit for the reporting period

☐Applicable ☑Not applicable

V. Other businesses activities

☑Applicable ☐Not applicable

Unit: CNY

	Amount	Proportion to total profit	Explanation of cause	Sustainability
Investment income	74,985,632.44	6.73%	Mainly due to the increase in the disposal	No

			of financial assets in the current period	
Gains/Losses from changes at fair value	2,396,188.91	0.21%	Primarily due to increased disposal of financial assets during the period	No
Asset impairment loss	−64,857,382.13	−5.82%	Mainly resulting from changes in the fair value of trading financial assets and trading financial liabilities during the period	No
Non-operating income	6,235,446.78	0.56%	Mainly attributed to a decrease in incidental income during the period	No
Non-operating expense	7,794,000.52	0.70%	Primarily due to an increase in non-operating expenditures during the period	No
Finance costs	18,245,641.59	1.64%	Mainly resulting from increased foreign exchange expenses during the period	No
Credit impairment loss	−20,947,183.09	−1.88%	Primarily due to impairment losses on accounts receivable recognized during the period	No
Credit impairment loss	2,715,022.79	0.24%	Primarily due to impairment losses on accounts receivable recognized during the period	No
Income tax expense	95,109,395.44	8.53%	Primarily due to the impact of an increase in total profit	No
Non-controlling interest	3,450,715.48	0.31%	Mainly attributable to decreased profit of non-wholly owned subsidiaries	No

VI. Analysis of assets and liabilities

1. Major changes in asset composition

Unit: CNY

	End of 2025		Beginning of 2025		Change in proportion	Description of major changes
	Amount	Proportion of total assets	Amount	Proportion of total assets		
Cash and cash equivalents	1,275,482,258.23	12.29%	882,727,579.22	9.34%	2.95%	Mainly due to increased redemption of wealth management products during the period
Accounts receivable	2,069,115,516.18	19.94%	1,980,208,076.51	20.95%	−1.01%	
Contract assets	268,391,163.82	2.59%	257,887,396.24	2.73%	−0.14%	
Inventories	125,829,619.93	1.21%	100,567,954.67	1.06%	0.15%	

Investment property	29,904,194.98	0.29%	30,649,324.99	0.32%	−0.03%	
Long-term equity investments	395,002,150.98	3.81%	364,772,927.66	3.86%	−0.05%	
Fixed assets	2,754,066,719.43	26.53%	2,646,225,977.26	27.99%	−1.46%	
Construction in progress	299,144,593.55	2.88%	102,140,783.53	1.08%	1.80%	Mainly due to the increased investment in projects under construction in the current period
Right-of-use assets	311,371,611.74	3.00%	318,417,593.43	3.37%	−0.37%	
Short-term borrowings	40,110,856.53	0.39%	2,002,016.65	0.02%	0.37%	Mainly due to the increase in short-term borrowings in the current period
Contract liabilities	159,795,835.48	1.54%	127,048,211.65	1.34%	0.20%	
Long-term borrowings	21,280,121.23	0.21%	9,783,815.87	0.10%	0.11%	Mainly due to an increase in long-term borrowings in the current period
Lease liabilities	221,509,486.72	2.13%	230,723,734.67	2.44%	−0.31%	
Trading financial assets	102,549,436.04	0.99%	443,026,438.36	4.69%	−3.70%	Mainly due to the decrease in the purchase of wealth management products in the current period
Other non-current financial assets	10,589,433.91	0.10%	15,486,543.73	0.16%	−0.06%	Mainly due to the sale of other non-current financial assets in the current period
Intangible assets	287,566,112.16	2.77%	186,019,761.77	1.97%	0.80%	Mainly due to the increased investment in the acquisition of intangible assets in the current period
Notes receivable	34,509,380.94	0.33%	24,062,986.59	0.25%	0.08%	Mainly due to the increase in collections made through bills in the current period
Prepayments	68,774,423.71	0.66%	32,441,659.06	0.34%	0.32%	Mainly due to the increase in prepayments in the current period
Trading financial liabilities	0.00	0.00%	981,621.78	0.01%	−0.01%	Mainly due to the payment of variable consideration in the previous period
Notes payable	6,729,173.46	0.06%	3,690,516.92	0.04%	0.02%	Mainly due to the increase in

						payments made through bills in the current period
Dividends payable	6,668,275.19	0.06%	631,042.91	0.01%	0.05%	Mainly due to the increase in dividends payable in the current period
Other comprehensive revenues	26,976,798.89	0.26%	15,564,473.23	0.16%	0.10%	Mainly due to the impact of changes in foreign currency translation differences

Overseas assets account for a high proportion

☐Applicable ☑Not applicable

2. Assets and liabilities measured at fair value

☑Applicable ☐Not applicable

Unit: CNY

Items	Amount at the beginning of the current period	Gains/Losses from changes at fair value in the current period	Accumulated changes at fair value recognized in equity	Impairment accrued in the current period	Purchase amount in the current period	Sales amount in the current period	Other changes	Amount at the end of the current period
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	443,026,438.36	1,379,371.15			1,028,714,204.86	1,370,570,578.33		102,549,436.04
5. Other non-current financial assets	15,486,543.73					4,897,109.82		10,589,433.91
Total	458,512,982.09	1,379,371.15			1,028,714,204.86	1,375,467,688.15		113,138,869.95
Financial liabilities	981,621.78	1,016,817.76			129,100.00	2,127,539.54		0.00

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

Items	Amount	Reasons for restriction
Cash and cash equivalents	53,746,967.48	Bid bonds, performance bonds, quality assurance deposits, advance payment guarantees, judicial freezes, and others
Fixed assets	229,575,272.82	Collateral for bank borrowings
Intangible assets	11,372,362.73	Collateral for bank borrowings

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.

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 asset	Net asset	Operating revenue	Operating profit	Net profit
Shanghai CTI Pinbiao Testing Technology Co., Ltd.	Subsidiary	Provision of testing services	30,868,981.00	461,534,437.83	240,267,218.68	518,196,816.81	97,910,533.94	87,961,038.17

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
Jiangsu Honghai Vehicle Testing Co., Ltd.	Business combination not under common	No significant impact

	control	
ALS Chemex Guangzhou Co., Ltd.	Business combination not under common control	No significant impact
Huan'an Biological Technology Service Co., Ltd.	Business combination not under common control	No significant impact
Shenzhen Openview Information Consulting Co., Ltd.	Business combination not under common control	No significant impact
Shenzhen Openview Technology Service Co., Ltd.	Business combination not under common control	No significant impact
OPENVIEW SERVICE LIMITED	Business combination not under common control	No significant impact
Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.	Business combination not under common control	No significant impact
Laboratcire MIDAC	Business combination not under common control	No significant impact
Safety SA Topco (Pty) Ltd	Business combination not under common control	No significant impact
Safety SA Holdco (Pty) Ltd	Business combination not under common control	No significant impact
Safety SA Subco (Pty) Ltd	Business combination not under common control	No significant impact
Nosa Group Empowerment Company (Pty) Ltd	Business combination not under common control	No significant impact
Nosa Logistics (Pty) Ltd	Business combination not under common control	No significant impact
Aspirata Auditing Testing And Certification (Pty) Ltd	Business combination not under common control	No significant impact
World of Ethics (Pty) Ltd	Business combination not under common control	No significant impact
Ethical Excellence (Pty) Ltd	Business combination not under common control	No significant impact
Ethikos Academy (Pty) Ltd	Business combination not under common control	No significant impact
Quality and Safety Risk Professional Services International (Pty) Ltd	Business combination not under common control	No significant impact
Vetlab Limited	Business combination not under common control	No significant impact
Safety SA Solutions (Pty) Ltd	Business combination not under common control	No significant impact
Nosa (Pty) Ltd	Business combination not under common control	No significant impact
National Occupational Safety Association (Namibia) (Pty) Ltd	Business combination not under common control	No significant impact
Nosa Auditing and Inspection Services (Pty) Ltd	Business combination not under common control	No significant impact
National Quality Assurance (Pty) Ltd	Business combination not under common control	No significant impact
Safety Middle East Holdco Ltd	Business combination not under common control	No significant impact
World Of Ethics (Pty) Ltd	Business combination not under common control	No significant impact
Ethical Excellence (Pty) Ltd	Business combination not under common control	No significant impact
Ethikos Academy (Pty) Ltd	Business combination not under common control	No significant impact
Envirometrics Technical Consultants S.A.	Business combination not under common control	No significant impact

Emicert Audit Verification and Certification Services Ltd	Business combination not under common control	No significant impact
S.A.S. EKOMETRITIKI LIMITED	Business combination not under common control	No significant impact
OPENVIEW SERVICE VN JOINT STOCK COMPANY	Business combination not under common control	No significant impact
Hainan CTI Technical Service Co., Ltd.	Newly established	No significant impact
Guangxi Hechi Pinsheng Biotechnology Co., Ltd.	Newly established	No significant impact
Hebei CTI Junrui Testing Technology Co., Ltd.	Disposal	No significant impact
Shenzhen CTI Fengxue Testing Technology Co., Ltd.	Disposal	No significant impact
Centre Testing International Hubei Co., Ltd.	Disposal	No significant impact
Shenzhen CTI Standard Material Research Institute	Disposal	No significant impact
Qingdao CTI Medical Testing Laboratory Co., Ltd.	Disposal	No significant impact
Shanghai CTI Fengxue Testing Technology Co., Ltd.	Disposal	No significant impact
Tianjin CTI Medical Testing Laboratory Co., Ltd.	Disposal	No significant impact

Description of major holding and participating companies

Shanghai CTI Pinbiao Testing Technology Co., Ltd., a wholly-owned subsidiary of CTI, has a business scope as follows: Licensed items: Inspection and testing services; certification services. (For items subject to approval by law, business activities can only be carried out after approval by relevant departments. The specific business items are subject to the approval documents or permits from the relevant departments) General items: Import and export of goods; import and export of technologies; inspection and appraisal of import and export commodities; technical services, technology development, technical consulting, technology exchange, technology transfer, and technology promotion; information consulting services (excluding licensed information consulting services); research and development of special electronic materials; environmental protection monitoring; environmental consulting services; metrology technical services; vector control services; forestry pest control services; crop pest and disease control services; safety and technical training for special operations personnel. (Except for items that require approval by law, business activities may be carried out independently and legally 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 strategy 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 a virtuous 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 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

China is facing a period of economic structural adjustment and shifting growth gears, with the external environment exhibiting a K-shaped divergence: The consumer sector shows a polarization with a contraction in survival-related spending and an expansion in emotion-driven consumption. A stark contrast exists between the intensified internal competition in traditional industries and the vigorous development in new technology sectors. Globalization is stagnating while a wave of outbound expansion by Chinese enterprises is underway. Competition in the domestic TIC industry is intensifying, yet new growth drivers continue to emerge. Faced with a complex and ever-changing business environment, the Company leverages its core advantages and closely follows industry trends. It has adopted “Transformative Leap” as its key annual strategy, with the “Dual-Track Leap”—focusing on outward expansion into multiple international core markets and upward cultivation of high-value-added tracks—as its core breakthrough path. This is supported by the “Three-Pronged Support” strategy for implementation, which concentrates on normalizing collaborative efficiency, deepening internationalization, and advancing the application of AI and robots. The Company has formulated its 2026 operational plan to fully empower strategic execution, driving layered, multi-dimensional, sustainable growth and steadily advancing toward its goal of becoming a global, competitive testing and certification institution.

1. Adhering to brand strategy and long-termism, being a long-distance runner in the TIC industry

The Company has always adhered to its brand strategy and long-termism, integrating brand building into the entire operational process. It leverages brand influence to drive market expansion and enhance client trust, thereby building a core competitiveness that weathers economic cycles. In financial management, while focusing on operational efficiency and P&L performance, the Company also emphasizes a healthy operating cash flow and balance sheet to ensure a sound financial structure. On the strategic execution level, the Company fully promotes the implementation of its “123 Strategy,” making firm investments in high-value-added tracks such as high-end manufacturing, smart technology, and green & low-carbon sectors. This involves expanding into high-end markets and emerging tracks to drive the conversion of brand value into operational benefits. We are enhancing our ESG performance, consolidating our achievements in global sustainability-related certifications, and striving to maintain a leading position in professional services. We actively participate in industry standard-setting, promote a culture of innovation, and advance R&D implementation, thereby demonstrating our brand’s industry value through standard-setting leadership and technological innovation. We will strengthen our organizational capabilities and build a first-class team within the industry. We will deeply integrate talent development and organizational optimization with our brand strategy. By refining our talent cultivation system, optimizing our organizational structure, and reinforcing collaboration mechanisms, we will provide solid support for the implementation of our strategy.

2. Winning through operations, focusing on core priorities, and solidifying the foundation for development with the dual-track leap

The Company places operations at its core, focusing on three key priorities: resilient growth, client-centricity, and synergistic development. We will strengthen operational management and control, promote the upgrading of our business models, and achieve “quality improvement, efficiency enhancement, and stable growth” to solidify the Company’s core business foundation.

We will build resilient growth capabilities, establish a rapid market response mechanism, and formulate precise development strategies. In strategic M&A, we will adhere to an active yet prudent principle, focusing on sub-sectors with synergistic effects. We will strengthen our monthly operational analysis to promptly assess and optimize strategies. Upholding a client-centric approach, we will explore and seize growth opportunities from a segmented perspective, with a key focus on sustainable development areas such as semiconductor chips, new energy, aerospace, biopharmaceuticals, medical devices, intelligent robots, the low-altitude economy, and ESG/carbon peaking and carbon neutrality, thereby deepening our presence in high-value-added tracks. We will intensify efforts to develop high-quality corporate clients, activate the value of existing clients, and optimize the client service experience to enhance client loyalty. We will focus on core businesses while divesting non-core, low-efficiency ones to optimize our business structure. To enhance synergistic efficiency, the Company will advance a three-tiered key account collaborative development system at the group, business unit, and regional levels. We will prioritize the synergistic development of emerging businesses such as carbon emissions, consumer research, functional safety, as well as the low-altitude economy, silver economy, and humanoid robots. We will promote deep collaboration between service-oriented business units/product lines and other departments to improve synergistic performance. Key focus will be placed on operating cash flow and ROE. We will strengthen collections management, optimize resource allocation for existing facilities, and prudently control investment in new bases. We will standardize our investment decision-making processes and enhance our investment return analysis.

3. Adhering to the efficiency-first principle, comprehensively enhancing operational effectiveness

The Company adheres to an efficiency-first principle, fully implementing Lean 2.0. Supported by a diverse set of tools, we will promote the normalization of efficiency improvements to achieve cost reduction and increased effectiveness. This will not only solidify the foundation for synergistic efficiency but also accelerate the deep-level implementation of AI and robots, injecting strong momentum into our "Transformative Leap" strategy. The Company will continue to deepen its lean management practices, driving the deep integration of lean principles with strategy and daily operations. We will further expand the coverage of our lean management laboratories and set annual efficiency improvement targets for labs that have already initiated lean improvements. We will promote the deep integration of lean management with digitalization and automation. This will extend to the business front-end by conducting client demand analysis. We will strengthen the construction of frontline teams, cascading organizational goals down to the team level. We will establish a mechanism to promote best practices in improvement, drive the lean philosophy deep into the grassroots level, achieve full employee participation in lean improvements, and ensure the comprehensive realization of lean outcomes. We will build a lean leadership system, selecting outstanding managers to lead and promote lean initiatives, ensuring alignment with our strategic planning. We will accelerate the digital and intelligent transformation and the application of AI, exploring the construction of "lights-out laboratories". We will focus on AI applications in core scenarios such as report auditing, visual recognition, knowledge management, intelligent Q&A, and contract and order management. We will improve our digital system architecture, promoting the deep integration of end-to-end digitalization with automation and standardized operations to enhance operational efficiency and scientific decision-making. At the same time, the Company will strengthen personnel efficiency management, cascading efficiency targets down to each unit and establishing early-warning and assessment mechanisms. We will empower our overseas M&A companies, promoting the implementation of lean and digital tools to achieve a group-wide synergistic improvement in efficiency.

4. Advancing international development, solidifying the foundation for overseas expansion, and broadening the global business landscape

Supported by strategic M&A, the Company will advance its international footprint, strengthen its overseas structure and empowerment, and enhance its international operational capabilities. We aim to drive our internationalization toward expansion, substance, and performance, helping to realize the "outward leap" goal and fortifying the internationalization pillar of the "Three-Pronged Support" strategy. The Company will focus on core strategic directions such as large consumer products, marine, and international certification. We will select M&A targets that are strategically aligned and offer synergistic effects, with a key focus on core regions like Europe, Africa/Middle East, and Southeast Asia. Leveraging our existing overseas teams, we will continue to expand their scale, deepen M&A integration and business development in key regions, and progressively increase our overseas market share. We will also strengthen our overseas structure and support to enhance service capabilities: We will perfect the construction of our overseas structure and fortify our overseas support systems, with a key focus on securing recognition from major international clients to enhance our overseas market development capabilities. We will optimize overseas compliance and operational management to provide a solid guarantee for overseas business expansion. We will strengthen the empowerment of our overseas acquired institutions, with a key focus on exporting lean management practices and optimizing operational processes. We will conduct specialized training programs such as "Go Global · English", promote cross-national and cross-regional talent mobility, enhance overseas capital and tax rate management, and progressively increase the proportion of our overseas revenue, thereby solidifying the foundation for global development and making internationalization a key engine for the Company's growth.

5. Solidifying organizational support, strengthening team building and empowerment to activate organizational vitality

The Company uses organizational development as a pillar, focusing on team building, delegation and empowerment, mindset transformation, and key actions. We optimize our organizational structure, strengthen collaborative mechanisms, and refine our talent systems to enhance organizational agility and synergistic efficiency. This provides a solid guarantee for the implementation of all business strategies and promotes the Company's high-quality development. In team building, we adhere to the principle of "suitability over qualification," strictly controlling recruitment quality and emphasizing alignment with our values and teamwork. We implement a dual-appraisal system based on both values and performance to promote the evolution of our corporate culture. In terms of empowerment, we promote systematic delegation: aligning on objectives, acceptance criteria, authority, and resources beforehand; strengthening support and guidance during the process; and conducting post-mortem reviews, summarizing learnings, and optimizing methods afterward. Regarding mindset shift, we guide all employees to uphold long-termism, a spirit of dedication, and an efficiency-oriented approach, encouraging them to embrace change, gain cross-departmental experience, engage deeply with front-line operations, and pursue lifelong learning. We are implementing key initiatives to enhance organizational capabilities: Promoting cross-departmental talent mobility to break down departmental silos and cultivate versatile talent; implementing HAP2-related work to optimize our talent management system; strengthening support and empowerment for our overseas structure to facilitate international business development; enhancing the recruitment and development of international talent to address our overseas talent gap; introducing and cultivating specialized talent focused on improving personnel efficiency to enhance employees' comprehensive capabilities; continuing to optimize the group's comprehensive talent development programs to refine our talent cultivation system; and continuously deepening customized talent development programs for business units to improve team expertise and suitability.

6. Focusing on shareholder returns: Practicing win-win collaboration and building long-term return mechanisms

The Company places a high value on providing continuous, stable, and reasonable returns to its investors. Since our public listing, we have shared the fruits of our development with investors through continuous cash dividends, a steadily increasing dividend payout ratio, and an optimized dividend schedule. The Company has established a regular dividend mechanism, insisting on annual cash dividends, and has added an interim dividend for the first time in 2025. At the same time, the Company has successfully completed three phases of its share repurchase plan, cumulatively repurchasing 10 million shares. It has used 5 million of the repurchased shares to implement the Phase IV Employee Share Ownership Plan, effectively enhancing our long-term incentive and constraint mechanism, stimulating organizational vitality and operational efficiency, driving the continuous enhancement of company value, and genuinely safeguarding the long-term interests of all shareholders. Looking ahead to 2026, regarding our dividend policy, the Company will continue to implement interim dividends and steadily increase the level of cash dividends, continuously optimizing the investor return mechanism to further enhance shareholder returns and create long-term value for investors.

In 2026, facing the opportunities and challenges brought by economic structural adjustments and new technological revolutions, the Company will remain committed to long-termism and its brand strategy. With the ambition of a "Transformative Leap," we will proactively embrace change. Through "steady operations," we will deeply cultivate the essence of our business, meticulously working in traditional business areas, actively positioning ourselves in emerging tracks, and steadily expanding in international markets. We will make the "Dual-Track Leap" the core of our growth and the "Three-Pronged Support" the foundation of our development. The Company will comprehensively enhance its ESG performance, continuously improve corporate governance, control internal management risks, and achieve sound operations. We will strike a dynamic balance between performance growth and shareholder returns, implement a "long-term, stable, and sustainable" shareholder value return mechanism, and continuously enhance our ability to reward investors, working tirelessly to achieve long-term, high-quality, win-win outcomes 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 core drivers and foundation for the survival and sustainable development of a TIC institution. Only by gaining client recognition for its technical competence and impartiality can an institution gradually expand its market share and consolidate its competitive advantages. If a quality issue arises that damages credibility and brand, the inspection and testing institution may face a loss of client trust, which would impact its business expansion and profitability. In severe cases, its testing and certification qualifications could be revoked, affecting the company's sustainable operations. The Company places great importance on maintaining its credibility and brand, actively promotes the core value of integrity, and has established a comprehensive quality control system to ensure the authenticity and accuracy of the test reports it issues, continuously improving the quality of its testing services. 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, CNAS, and 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 departments, 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.

"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 ensure the adherence 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 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 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. In accordance with the *Articles of Association* and the *Working Rules of the Strategy and M&A Committee of the Board of Directors*, major investment matters are subject to review and control by the Investment Committee to demonstrate project feasibility. Such matters shall be submitted to the Strategy and ESG Committee of the Board of Directors, the Board of Directors and the Shareholders' Meeting for deliberation in line with the corresponding decision-making authority, which enhances the rationality and quality of the Company's major investment decisions. To mitigate risks in post-investment management, the Finance and Human Resources Departments have completed personnel preparation. Meanwhile, experts have been added to the lean management team, laying a solid foundation for delivering lean management capabilities in the future.

4. Risk of underperformance in laboratory investments

The testing industry enjoys a first-mover advantage. To accelerate its national footprint in the testing market, the Company has built a number of laboratories at international or domestic leading standards in recent years. Amid continuous innovation in new technologies and industries such as new energy, new materials, high-end equipment, artificial intelligence and life and health, the testing sector is presented with more opportunities as well as challenges. The Company has increased investment in the fields of pharmaceutical and healthcare, new materials testing, semiconductor chips, new energy vehicles and Internet of Vehicles, positioning itself for major mid-to-long term growth drivers. Laboratory construction can only enter formal operation upon completion of renovation, personnel recruitment, equipment procurement, qualification assessment and certification. A certain period is required to achieve break-even. Underperformance in the production capacity of newly built laboratories may adversely affect the Company's profits. Going forward, the Company will focus on newly built laboratories, improve their operational efficiency, achieve gradual capacity release and scale effects, and realize steady growth in the Company's revenue and profit.

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 date	Reception location	Reception mode	Counterparty type	Counterparty	Main discussion topics and materials provided	Index of activity details
January 6, 2025 - February 28, 2025	Company	Phone/On-site visit	Institution	Institutional investors	Company's current status and future development plans	Published on CNINFO: IR Activity Record from January 6 to February 28, 2025 (No. 2025-001) disclosed on www.cninfo.com.cn
March 4, 2025 - May 30, 2025	Company	Phone/On-site visit	Institution	Institutional investors	Company's current status and future development plans	Published on CNINFO: IR Activity Record from March 4 to May 30, 2025 (No. 2025-003) disclosed on

						www.cninfo.com.cn
April 18, 2025	Company	Telephone communication	Institution	Institutional investors	2024 Annual Performance and 2025 Q1 Performance Exchange	Disclosed in the Published on CNINFO: IR Activity Record of April 18, 2025 (No. 2025-002) on www.cninfo.com.cn.
June 9, 2025 - August 1, 2025	Company	Phone/On-site visit	Institution	Institutional investors	Company's current status and future development plans	Published on CNINFO: IR Activity Record from June 9 to August 1, 2025 (No. 2025-004) disclosed on www.cninfo.com.cn
August 22, 2025	Company	Phone/On-site visit	Institution	Institutional investors	Statement of results for half year of 2025	Disclosed in the Published on CNINFO: IR Activity Record of August 22, 2025 (No. 2025-005) on www.cninfo.com.cn.
August 27, 2025 - October 17, 2025	Company	Phone/On-site visit	Institution	Institutional investors	Company's current status and future development plans	Published on CNINFO: IR Activity Record from August 27 to October 17, 2025 (No. 2025-006) disclosed on www.cninfo.com.cn
October 27, 2025	Company	Telephone communication	Institution	Institutional investors	Statements of results for 3 quarters in 2025	Disclosed in the Published on CNINFO: IR Activity Record of October 27, 2025 (No. 2025-007) on www.cninfo.com.cn.
October 30, 2025 - December 31, 2025	Company	Phone/On-site visit	Institution	Institutional investors	Company's current status and future development plans	Published on CNINFO: IR Activity Record from October 30 to December 31, 2025 (No. 2025-008) 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 action 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. The Phase 3 was completed in April 2025, with a cumulative repurchase of 2 million shares and a total transaction amount of CNY 22.0506 million. The Company plans to use the aforementioned repurchased shares for its employee share ownership plan or equity incentives to boost employee motivation, improve corporate performance, and enable investors to share in the Company’s development results.

In the context of “focusing on the core business and deeply cultivating the inspection and testing industry”, in 2025, 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 operating revenue of CNY 6.621 billion, a year-on-year increase of 8.82%; net profit attributable to shareholders of the listed company reached CNY 1.016 billion, a year-on-year increase of 10.35%; and net cash flow from operating activities was CNY 1.371 billion, a year-on-year increase of 29.02%.

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. To date, the sub-station has recruited 10 postdoctoral researchers, conducting research in fields such as non-destructive testing and rapid testing instruments. Postdoctoral researchers who have completed their training continue to work with the Company, leading research on AI applications in the testing industry and the development of rapid testing equipment. 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. Multiple R&D achievements have been recognized by the market, government authorities, and industry associations, with leading R&D capabilities providing crucial support for the Company’s 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 581 million, representing a 9.71% year-on-year increase, accounting for 8.77% of operating revenue. Through continuous innovation investment and technological breakthroughs, the Company actively enhances its technical capabilities and service quality, promoting high-quality and sustainable development in the industry. Key innovation achievements in 2025 include: (1) Deepening core testing capabilities and automation: Developed in-situ Raman spectroscopy analysis methods, establishing non-standard testing capabilities; completed in vivo transdermal absorption testing solutions, strengthening cosmetic R&D testing services; advanced laboratory and process automation, achieving intelligent order classification and review, intelligent chromatography-mass spectrometry spectral alarms, and developing a prototype for industrial film digitization hardware, laying the foundation for AI-based film evaluation. (2) Expanding intelligent recognition and multi-modal instrument applications: Developed image recognition models to achieve automatic grading of drug stimulation on chicken embryos and intelligent authentication of luxury bags, improving judgment consistency and promoting the digitalization of expert experience; built dual-modal prototypes combining laser confocal tomography and Raman spectroscopy to explore multi-modal testing applications in skin testing, microplastics, and other fields. (3) Deploying rapid testing equipment and exploring cutting-edge technologies: Clarified R&D directions for handheld/micro-spectroscopy equipment; conducted feasibility verification of electrochemical biosensors to provide technical reserves for rapid testing, wearable devices, and environmental and human monitoring; conducted preliminary research on rapid seawater nitrogen and phosphorus detection technologies, creating conditions for joint development of small spectroscopic devices and AI models, and for expanding into new business areas.

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 over 10 ISO/IEC panel registered experts. During the reporting period, 1 additional ISO/IEC working group expert was registered. 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 convener unit for working group ISO/TC34/SC6/WG28 on the determination of veterinary drug and pesticide residues, the Company held the second working group meeting in Nanjing. The number of international standards under its purview has reached a total of 6, with 2 new work item proposals added during the year. To support the long-term, continuous, and effective development of international standards work, in June 2025, the Company attended the 27th Plenary Meeting of the ISO Technical Committee for Food Products, Sub-committee for Meat, Poultry, Fish, Eggs and Their Products (ISO/TC34/SC6), held at the French Standardization Association. The meeting brought together over 90 delegates from 22 countries, including China, the USA, France, Russia, Italy, Japan, and India, as well as representatives from the World Organization for Animal Health (WOAH), the ISO Central Secretariat, and the ISO/TC34 Secretariat. During the meeting, the Company also served as the secretary for the Chinese delegation and presented the ISO/TC34/SC6/WG28 working group report and a new international standard project proposal report. During the reporting period, the Company published 74 new standards, including 1 international standard, 46 national standards, 21 industry standards, and 6 group standards, 2 of which are mandatory national standards. As of the end of the reporting period, CTI Group has participated in the formulation and revision of 860 standards, with 764 standards published, including 15 international standards, 495 national standards, and 224 industry standards, 24 of which are mandatory national standards.

Building on its actual testing and inspection operations, the Company focuses on the research and development of new testing methods, improvements, and innovative designs of new devices, deeply integrating intellectual property protection with practical business needs to promote the transformation and application of technological achievements. During the reporting period, the Group obtained 106 new patents, including 15 invention patents, 90 utility model patents, and 1 design patent. By the end of the reporting period, the Company had been granted 810 patents, including 130 invention patents, 679 utility model patents, and 1 design patent.

During the reporting period, the Company was awarded two second prizes for the S&T Progress Award of the “2025 Mechanical Industry S&T Award,” jointly issued by the China Machinery Industry Federation and the Chinese Mechanical Engineering Society. It also received the honorary title of “2025 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 2024 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 10,000,000 repurchased shares, totaling 1,672,828,214 shares. Furthermore, in 2025, the Company added an interim dividend for the first time. Based on the total share capital of 1,672,828,214.00 shares (after excluding the 10,000,000.00 repurchased shares), a cash dividend of CNY 0.50 was distributed to all shareholders for every 10 shares held. 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. The Company’s information disclosure efforts have been recognized by the Shenzhen Stock Exchange, receiving an A rating in the 2024 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, Environmental, and Social Responsibilities

1. Basic situation of company governance

(I) Shareholders and Shareholders' Meeting

The Company convenes and holds the Shareholders' Meeting in a standardized manner in strict accordance with the *Rules for Shareholders' Meetings of the Listed Company*, the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings* 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 Shareholders' Meeting. At the Shareholders' Meeting, 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 Shareholders' Meeting held by the Company did not violate the *Rules for Shareholders' Meeting 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 Shareholders' Meeting, and there was no Shareholders' Meeting 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 Shareholders' Meeting 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 Shareholders' Meeting, 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 shall 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.

During the reporting period, to fully implement the requirements of the new *Company Law* and its supporting rules, further enhance the standard of its regulated operations, and improve its governance structure, the Company adjusted its governance structure in accordance with the *Company Law*, the *Arrangements for the Transitional Period Concerning the Implementation of Supporting Systems and Rules for the New Company Law* issued by the China Securities Regulatory Commission (CSRC), the *Guidelines for the Articles of Association of Listed Companies*, and other relevant laws, regulations, and normative documents. The Company no longer has a Board of Supervisors or supervisors; the duties and powers of the Board of Supervisors have been assumed by the Audit Committee of the Board of Directors. Consequently, the Company's internal rules related to the Board of Supervisors were abolished, the *Articles of Association* were amended, and certain corporate management systems were revised or established.

(IV) 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.

(V) 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.

(VI) 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.

(VII) 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 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. Arrangements in which the Company has differences in voting rights

☐Applicable ☑Not applicable

V. Governance of red chip structured company

☐Applicable ☑Not applicable

VI. Directors and executives

1. Basic information

Name	Gender	Age	Position	Incumbency 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	56	Chairman	Incumbent	August 25, 2007		251,335,874				251,335,874	
Shentu Xianzhong	Male	57	Director and President	Incumbent	June 4, 2018		9,350,000				9,350,000	
Qian Feng	Male	52	Director	Incumbent	December 30, 2022		2,132,128				2,132,128	
			Vice President	Incumbent	August 25, 2007							
Qi Guancheng	Male	59	Director	Incumbent	October 16, 2023		0				0	
Cheng Haijin	Male	54	Independent director	Incumbent	September 7, 2020		0				0	
Liu Zhiquan	Male	55	Independent director	Incumbent	September 21, 2022		0				0	
Yang Fang	Female	50	Independent director	Incumbent	November 28, 2025		0				0	
Zeng Fanli	Male	61	Independent director	Departed	December 2, 2019	November 28, 2025	0				0	
Li Fengyong	Male	53	Vice President	Incumbent	August 22, 2016		703,200				703,200	
Xu Jiang	Male	51	Vice President	Incumbent	May 28, 2010		525,000				525,000	
Zhou Lu	Male	52	Vice President	Incumbent	August 27, 2013		848,000				848,000	
Wang Hao	Female	50	Vice President and Chief Financial Officer	Incumbent	August 22, 2016		380,000				380,000	

Jiang Hua	Female	49	Vice President, Secretary of Board of Directors	Incumbent	January 13, 2023		0				0	
Tian Qi	Female	46	Vice President	Incumbent	December 25, 2025		460,000				460,000	
Zeng Xiaohu	Male	51	Vice President	Departed	April 24, 2019	December 25, 2025	695,000				695,000	
Total	--	--	--	--	--	--	266,429,202	0	0	0	266,429,202	--

Whether any directors or executives resigned during their term of office within the reporting period

☐Yes ☑No

Changes in directors and executives of the Company

☑Applicable ☐Not applicable

Name	Position held	Type	Date	Reason
Zeng Fanli	Independent director	Resignation upon expiry of term of office	November 28, 2025	Election for a new term
Yang Fang	Independent director	Elected	November 28, 2025	Election for a new term
Zeng Xiaohu	Vice President	Resignation upon expiry of term of office	December 25, 2025	Election for a new term
Tian Qi	Vice President	Appointed	December 25, 2025	Election for a new term

2. Employment

Professional background, main work experience and main responsibilities of current directors 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.

(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 products testing services, president of SGS China, and Vice Presidents of SGS global consumer products testing and industrial services. He previously held several board positions, including Director of SGS-CSTC Standards Technical Services Co., Ltd. and Chairman of the Board at Bluesign Technologies ag in Switzerland. He joined the Company in June 2018 and is currently the President and Director of the Company.

(3) Mr. Qian Feng, from Hong Kong, China, born in 1973, holds a postgraduate 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 currently serves as a Vice President of the Company.

(4) Mr. Qi Guancheng, from Hong Kong, China, born in 1966, holds 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, of Chinese nationality, born in 1971, holds 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. Liu Zhiquan, of Chinese nationality with no permanent residency overseas, born in 1970, holds a Doctor of Engineering degree. After receiving his doctoral degree in 2000, he studied abroad and returned to China at the end of 2006 as a scholar recruited from overseas. 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.

(7) Ms. Yang Fang, born in 1975, of Chinese nationality with no permanent residency overseas, holds a PhD in Accounting from Fudan University, and is a member of IPA & IFA. She is an adjunct master’s supervisor at Shanghai National Accounting Institute and an adjunct associate professor and master’s supervisor at Shanghai Lixin University of Accounting and Finance. She previously served as an independent director for Grand Orient and Guangbo. Since 2021, she has served as an independent director for Shanghai Hujia Decoration Service Group and Zhongdao Auto Rescue Co., Ltd. Since December 2022, she has been an independent director of STO Express Co., Ltd. Since July 2024, she has served as an independent director of Xi’an Shaangu Power Co., Ltd. She is currently the Executive Director of Shanghai Lixin Ruisi Information Management Co., Ltd., where she leads the development and implementation of enterprise internal control consulting projects. She is a hands-on expert in internal control and risk management, a consulting expert for the 3rd Enterprise Internal Control Standard Committee of the Ministry of Finance, a member of the Career Development Committee of the China Institute of Internal Audit, a distinguished lecturer at the Shanghai State-owned Capital Operation Research Institute, a distinguished gold-medal lecturer at the Training Department of the Shanghai Stock Exchange, an outstanding lecturer at the SME Training Center of the Shenzhen Stock Exchange, a contracted lecturer at the School of Management of Fudan University, a contracted lecturer at the Graduate School of Ningbo University, a visiting professor at Shanghai National Accounting Institute, and a visiting professor and social mentor at Shanghai Lixin University of Accounting and Finance. She has served as an Independent Director of the Company starting from November 28, 2025.

2. Executives

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

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

(3) 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.

(4) Mr. Zhou Lu, of Chinese nationality with no permanent residency overseas, born in 1973, holds a postgraduate degree and is a professor-level 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.

(5) Mr. Li Fengyong, of Chinese nationality with no permanent residency overseas, born in 1972, holds a postgraduate degree. He used to work as 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.

(6) 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.

(7) Ms. Jiang Hua, of Chinese nationality with no permanent residency overseas, born in 1976, holds a Master’s degree. She is a member of the 6th and 7th Shenzhen Municipal Committee of the Chinese People’s Political Consultative Conference (CPPCC). 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.

(8) Ms. Tian Qi, of Chinese nationality with no permanent residency overseas, born in 1979, holds a bachelor’s degree. She entered the TIC industry in 2006 and previously worked at SGS. She joined Centre Testing International Group Co., Ltd. in June 2010, and has successively served as Head of Business for the RHS product line in the North China region, Head of Business for the East China region, General Manager of the C&R product line, and President of the Consumer Products Division. She has served as a Vice President of the Company starting from December 2025.

Situation where the controlling shareholder or actual controller concurrently serves as the Chairman and General Manager of the listed company

☐Applicable ☑Not applicable

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			
Cheng Haijin	Shanghai Liansheng Technical Service Co., Ltd.	Executive Director			
Cheng Haijin	Nanjing Tuniu Technology Co., Ltd.	Independent director			
Qi Guancheng	Ruiheng Online Investment Co., Ltd.	Executive Director			
Yang Fang	Shanghai Lixin Ruisi Information Management Co., Ltd.	Executive Director			
Description of employment in other units	None				

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

☐Applicable ☑Not applicable

3. Compensation of directors and executives

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

1. Decision-making procedure

The compensations of the Company's directors are determined by the Shareholders' Meeting, and the compensation of executives is determined by the Board of Directors; the compensations of directors 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 Shareholders' Meeting, 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 and executives.

3. Actual payment

During the reporting period, the Company had 15 directors and executives totally. In 2025, the Company actually paid a total of CNY 16.2833 million in compensation to those personnel.

Compensation of directors and executives during the reporting period

Unit: CNY 10,000

Name	Gender	Age	Position	Incumbency status	Total compensation before tax received from the Company	Whether to receive compensation from the Company's related parties
Wan Feng	Male	56	Chairman	Incumbent	105.55	No
Shentu Xianzhong	Male	57	Director and President	Incumbent	450.55	No
Qian Feng	Male	52	Director and Vice President	Incumbent	392.5	No
Qi Guancheng	Male	59	Director	Incumbent	13	No
Zeng Fanli	Male	61	Independent director	Departed	14	No
Cheng Haijin	Male	54	Independent director	Incumbent	16	No
Liu Zhiquan	Male	55	Independent director	Incumbent	13	No
Yang Fang	Female	50	Independent director	Incumbent	1.42	No
Zhou Lu	Male	52	Vice President	Incumbent	105.43	No
Xu Jiang	Male	51	Vice President	Incumbent	109.37	No
Wang Hao	Female	50	Vice President and Chief Financial Officer	Incumbent	110.75	No
Li Fengyong	Male	52	Vice President	Incumbent	118.51	No
Zeng Xiaohu	Male	50	Vice President	Departed	100.85	No
Jiang Hua	Female	49	Vice President, Secretary of Board of Directors	Incumbent	69.5	No
Tian Qi	Female	46	Vice President	Incumbent	7.9	No
Total	--	--	--	--	1,628.33	--

Basis for assessing the actual compensation received by all directors and executives at the end of the reporting period	The assessment is conducted in accordance with the *Performance Assessment System for Executives* and other relevant rules and regulations.
Completion status of the assessment for actual compensation received by all directors and executives at the end of the reporting period	They diligently fulfilled their job responsibilities during the reporting period.
Deferred payment arrangements for the actual compensation received by all directors and executives at the end of the reporting period	None
Clawback or forfeiture situation regarding the actual compensation received by all directors and executives at the end of the reporting period	None

Other descriptions

☐Applicable ☑Not applicable

VII. Directors' performance of duties during the reporting period

1. Directors' attendance in Board of Directors and Shareholders' Meeting

Directors' attendance in Board of Directors and Shareholders' Meeting							
Director name	Number of meeting(s) of	Number offline meeting(s) of	Number of online	Number of meeting(s) of	Number of absence(s)	Whether there is failure to	Number of General

	Board of Directors to be attended during the reporting period	Board of Directors attended	meeting(s) of Board of Directors attended	Board of Directors attended by entrustment	from meeting of Board of Directors	attend meeting of Board of Directors in person for two consecutive times	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
Liu Zhiquan	9	1	8	0	0	No	2
Yang Fang	1	0	1	0	0	No	0
Zeng Fanli	8	1	7	0	0	No	2

Explanation for failure to attend meeting of Board of Directors in person for two consecutive times

Not applicable

2. 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.

3. 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 2025 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.

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

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 23, 2025	Reviewed the *Proposal on Transfer of Subsidiary Equity*	Reviewed and approved the proposal	None	None
			March 7, 2025	Reviewed the *Proposal on the Operating Budget for the Year 2025*	Reviewed and approved the proposal	None	None
			March 17,	Reviewed the	Reviewed and	None	None

			2025	*Proposal on Capital Increase to imat-uve GmbH*	approved the proposal		
			April 15, 2025	Reviewed the *2024 Work Report of the Strategy and ESG Committee*, the *Proposal on the Selection for the 2024 Strategic Performance Award*, the *2024 Group Greenhouse Gas Inventory Report*, and the *2024 Environmental, Social and Governance (ESG) Report*	Reviewed and approved various proposals	None	None
			May 26, 2025	Reviewed the Proposal on Transfer of Subsidiary Equity	Reviewed and approved the proposal	None	None
			June 4, 2025	Reviewed the *Proposal on the Acquisition of Partial Equity in a Greek Company by a Wholly-owned Subsidiary* and the *Proposal on the Acquisition of Equity in and Capital Increase to the SafetySA Group of South Africa*	Reviewed and approved the proposal	None	None
			August 22, 2025	Reviewed the *2024 Report on Climate Change Response* and the *Human Rights Due Diligence Procedure*	Reviewed and approved various proposals	None	None
			September 28, 2025	Reviewed the *Proposal on Capital Increase to a Subsidiary and Acquisition of Assets through*	Reviewed and approved the proposal	None	None

				the Subsidiary			
			December 1, 2025	*Proposal on Transfer of Subsidiary Equity*	Reviewed and approved the proposal	None	None
			December 29, 2025	Reviewed the *Proposal on Adjusting the Company's Organizational Structure*, the *Proposal on the Debt-to-Equity Swap and Capital Increase of a Sub-subsidiary*, and the *Proposal on the Capital Reduction of Openview Information*	Reviewed and approved various proposals	None	None
Audit Committee	Cheng Haijin, Liu Zhiquan, Wan Feng	8	January 15, 2025	2024 Audit Plan and Strategy	Approved the Audit Plan	None	None
			March 7, 2025	Reviewed the *Proposal on Amending the Internal Audit Management System* and the *Proposal on Amending the Anti-fraud and Whistleblowing Management System*	Reviewed and approved various proposals	None	None
			March 13, 2025	Reviewed the *Q4 2024 Work Summary of the Internal Audit Department*, the *Q1 2025 Work Plan of the Internal Audit Department*, the *Internal Audit Report on Suzhou CTI Testing Technology Co., Ltd.*, and the *Inspection Report on Major Matters of the Company in H1 2024*	Reviewed and approved various proposals	None	None
			March 31, 2025	Reviewed the *Proposal on Formulating the*	Reviewed and approved the proposal	None	None

				Management System for the Company's Wealth Management Business			
			April 15, 2025	Reviewed the *2024 Work Report of the Audit Committee*, the *2024 Annual Report (Full Text and Summary)*, the *Proposal on the Provision for Asset Impairment and Write-off of Assets for the Year 2024*, the *Q1 2025 Report (Full Text)*, the *Report of the Audit Committee on the Performance of Supervisory Duties over the Accounting Firm for the Year 2024*, the *Proposal on the Proposed Re-appointment of the Financial Report and Internal Control Audit Firm for the Year 2025*, the *Q1 2025 Work Summary of the Internal Audit Department*, the *Q2 2025 Work Plan of the Internal Audit Department*, the *Audit Report on the Internal Compliance of Centre Testing International Group Co., Ltd. for the Year 2024*, and the *Inspection Report on*	Reviewed and approved various proposals	None	None

				Major Matters of the Company in H2 2024.			
			August 18, 2025	Reviewed the *2025 Semi-annual Report (Full Text and Summary)*, the *Q2 2025 Work Summary of the Internal Audit Department*, the *Q3 2025 Work Plan of the Internal Audit Department*, the *Internal Audit Report on CTI (Nantong) Automotive Technology Services Co., Ltd.*, and the *Investigation Report on the Suspected Investment by the General Manager of Administration in Zhongshan in a Competing Company*	Reviewed and approved various proposals	None	None
			October 24, 2025	Reviewed the *Q3 2025 Report (Full Text)*	Reviewed and approved the proposal	None	None
			November 3, 2025	Reviewed the *Q3 2025 Work Summary of the Internal Audit Department*, the *Q4 2025 Work Plan of the Internal Audit Department*, the *Internal Audit Report on Executives' Compensation for the Year 2024*, the *Internal Audit Report on Executives' Benefits for the Year 2024*, the *Special Internal Audit Report on the*	Reviewed and approved various proposals	None	None

				Related-Party Transaction of CTI Yuanjian, and the *Inspection Report on Major Matters of the Company in H1 2025*			
Compensation Assessment and Nomination Committee	Zeng Fanli, Wan Feng, Cheng Haijin	4	March 7, 2025	Reviewed the *Phase IV Employee Share Ownership Plan* and the *Assessment and Management Measures for the Special Incentive Fund*	Reviewed and approved various proposals	None	None
			April 15, 2025	Reviewed the *2024 Work Report of the Compensation Assessment and Nomination Committee*, the *Proposal on the Base Profit for the Performance Assessment of Executives' Bonuses for 2024*, the *Proposal on the Distribution Results of Executives' Bonuses for the Year 2024*, the *Proposal on the Base Compensation Plan for Executives for the Year 2025*, and the *Proposal on Amending the Management System for Executives' Benefits*	Reviewed and approved various proposals	None	None
			November 3, 2025	Reviewed the *Centre Testing International Group Co., Ltd. Phase IV Employee Share Ownership*	Reviewed and approved various proposals	None	None

				Plan (Draft) and its Summary and the *Management Measures for the Centre Testing International Group Co., Ltd. Phase IV Employee Share Ownership Plan*			
			November 7, 2025	Reviewed the *Proposal on the Nomination of Candidates for Non-independent Directors of the 7th Board of Directors*, the *Proposal on the Nomination of Candidates for Independent Directors of the 7th Board of Directors*, and the *Proposal on the Standards for Allowances for Directors of the 7th Board of Directors*	Reviewed and approved various proposals	None	None

IX. Work of the Audit Committee

Whether the Audit Committee found any risks in the Company during its supervisory activities in the reporting period

☐Yes ☑No

The Audit Committee had no objections to the matters supervised during the reporting period.

X. 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)	1,961
Number of active employees of major subsidiaries at the end of the reporting period (person)	12,357
Total number of active employees at the end of the reporting period (person)	14,318
Total number of employees receiving compensation in the current period (person)	14,318
Number of retired employees whose expenses need to be borne by the parent company and major subsidiaries (person)	88
Professional composition	

Professional composition category	Number of professionals (person)
Production staff	4,434
Sales staff	2,465
Technical staff	6,650
Financial staff	162
Administration staff	607
Total	14,318
Education background	
Education background category	Number (person)
Doctoral degree and above	43
Master's degree	1,314
Bachelor's degree	7,506
College's degree and below	5,455
Total	14,318

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)	253,481.12
Total compensation paid for labor outsourcing (CNY)	12,340,018.19

XI. 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 profit distribution plan for the year 2024 was reviewed and approved at the 2024 Annual Shareholders' Meeting held on May 18, 2025: Based on a total of 1,672,828,214 shares (the Company's existing total share capital excluding 10,000,000 repurchased shares), a cash dividend of CNY 1.00 was distributed to all shareholders for every 10 shares held, with 0 bonus shares issued and 0 shares converted from the capital reserve for every 10 shares. The total cash dividend distributed was CNY 167,282,821.40 (tax inclusive). On May 28, 2025, the Company implemented the aforementioned distribution plan.

The 2024 Annual Shareholders' Meeting reviewed and approved the *Proposal on Requesting the Shareholders' General Meeting to Authorize the Board of Directors to Declare a 2025 Interim Dividend*. On August 21, 2025, the Company held the 25th meeting of the 6th Board of Directors, at which the *Preliminary Profit Distribution Plan for the First Half of 2025* was reviewed and approved: Based on the total share capital on the record date for the implementation of the distribution plan, net of the shares held in the Company's dedicated repurchase securities account, a cash dividend of CNY 0.50 (tax inclusive) is to be distributed for every 10 shares held by all shareholders. No bonus shares will be issued, and no shares will be converted from the capital reserve. On October 13, 2025, the Company implemented the aforementioned distribution plan, distributing a total cash dividend of CNY 83,641,410.70 (tax inclusive).

The Company strictly implements the cash dividend policy in accordance with the Company's *Articles of Association* and the

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 Shareholders' Meeting 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 shall 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)	1.5
Conversion per 10 shares	0
Equity base of the distribution plan (shares)	1,677,828,214
Cash dividend amount (CNY) (including tax)	251,674,232.10
Amount of cash dividends distributed in other ways (such as share repurchase) (CNY)	0.00
Total cash dividends (including other methods) (CNY)	251,674,232.10
Distributable profit (CNY)	3,036,106,794.55
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 shall be at least 20% in profit distribution.	
Detailed explanation of profit distribution or capital reserve conversion plan	
As audited by Beijing Dehao International Certified Public Accountants (Special General Partnership), the parent company achieved a net profit of CNY 702.9646 million in 2025. A statutory surplus reserve of CNY 70.2965 million was appropriated, representing 10% of the parent company's net profit for 2025. Added to the undistributed profit of CNY 2,654.3629 million at the beginning of the year, and after deducting the 2024 annual and 2025 interim cash dividends of CNY 250.9242 million (tax inclusive), as at December 31, 2025, the parent company's distributable profit was CNY 3,036.1068 million. The Company's preliminary profit distribution plan for the year 2025 is as follows: based on the total share capital eligible for profit distribution on the record date for the implementation of the plan (excluding shares in the dedicated repurchase securities account), a cash dividend of CNY 1.5 (tax inclusive) per 10 shares will be distributed to all shareholders. No bonus shares will be issued, and no shares will be converted from the capital reserve. If the total number of shares changes before the implementation of this profit distribution plan, the total amount of cash dividends distributed will be adjusted accordingly based on the principle of maintaining a constant distribution ratio.	

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

XII. 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. On June 19, 2017, the Company held its first Extraordinary General Meeting of 2017, at which the *Centre Testing International Group Co., Ltd. Phase I Employee Share Ownership Plan (Draft) and its Summary* was reviewed and approved. 2. On May 17, 2019, the Board of Directors reviewed and approved proposals including the *Proposal on the Extension and Modification of the Company's Phase I Employee Share Ownership Plan*, and decided to adjust the number of participants, the list of personnel, and the allocation of shares for the plan. 3. On June 18, 2021, the	0.22%	Self-raised funds of employees and compensated loans provided by major shareholders

			meeting of the participants of the Phase I Employee Share Ownership Plan and the 16th meeting of the 5th Board of Directors reviewed and approved the *Proposal on the Extension of the Phase I Employee Share Ownership Plan*, agreeing to extend the duration of the plan by 24 months to August 18, 2023. 4. On December 8, 2021, the meeting of the participants of the Phase I plan reviewed and approved the *Proposal on the Adjustment of the Phase I Employee Share Ownership Plan*. On December 13, 2021, the 20th meeting of the 5th Board of Directors and the 18th meeting of the 5th Board of Supervisors reviewed and approved the *Proposal on Amending the Draft and Management Measures of the Phase I Employee Share Ownership Plan*, and decided to adjust the number of participants, the list of personnel, and the allocation of shares for the plan. 5. On March 14, 2022, the meeting of the participants of the Phase I Employee Share Ownership Plan reviewed and approved the *Proposal on the Adjustment of Participants in the Phase I Employee Share Ownership Plan*. It was agreed that the 442,235 units of the plan held by the resigned employee Lu Guocai,		

			corresponding to 68,635 tradable shares of the Company, would be transferred in equal parts to Feng Yongying and Deng Shiguo, with each receiving one-half of the shares. 6. On July 4, 2023, the meeting of the participants of the Phase I Employee Share Ownership Plan reviewed and approved the *Proposal on the Extension and Modification of the Phase I Employee Share Ownership Plan* and the *Proposal on Amending the Draft and Management Measures of the Phase I Employee Share Ownership Plan*. The Company extended the Phase I Employee Share Ownership Plan and simultaneously made changes to elements such as the list of participants and their respective shares. Corresponding content in the *Centre Testing International Group Co., Ltd. Phase I Employee Share Ownership Plan (Draft) and its Summary* and the *Management Measures for the Centre Testing International Group Co., Ltd. Phase I Employee Share Ownership Plan* was revised accordingly. 7. On June 23, 2025, the 24th meeting of the 6th Board of Directors reviewed and approved the *Proposal on the Extension of the Phase I Employee Share Ownership Plan*. The Company extended the duration of the Phase I Employee Share		

			Ownership Plan to December 31, 2027.		
Phase 2 Employee Share Ownership Plan: Directors of the Company and its subsidiaries (excluding independent directors), executives, management and technical backbone personnel	21	1,353,300	1. On August 8, 2018, the Company held its first Extraordinary General Meeting of 2018, at which the *Centre Testing International Group Co., Ltd. Phase II Employee Share Ownership Plan (Draft) and its Summary* was reviewed and approved. 2. On October 9, 2018, the 19th meeting of the 4th Board of Directors and the 15th meeting of the 4th Board of Supervisors reviewed and approved proposals including the *Proposal on Amending the Centre Testing International Group Co., Ltd. Phase II Employee Share Ownership Plan (Draft) and its Summary* and the *Proposal on Amending the Management Measures for the Centre Testing International Group Co., Ltd. Phase II Employee Share Ownership Plan*. 3. On November 9, 2020, the meeting of the participants of the Phase II Employee Share Ownership Plan and the 9th meeting of the 5th Board of Directors reviewed and approved the *Proposal on the Extension of the Phase II Employee Share Ownership Plan*, agreeing to extend the duration of the Company's Phase II Employee Share Ownership Plan by 24 months to December 10, 2022. 4. On December 8,	0.08%	Self-raised funds of employees and compensated loans provided by major shareholders

			2021, the meeting of the participants of the Phase II plan reviewed and approved the *Proposal on the Adjustment of the Phase II Employee Share Ownership Plan*. On December 13, 2021, the 20th meeting of the 5th Board of Directors reviewed and approved the *Proposal on Amending the Draft and Management Measures of the Phase II Employee Share Ownership Plan*, with related directors abstaining from voting. 5. On November 8, 2022, the meeting of the participants of the Phase II Employee Share Ownership Plan and the 30th meeting of the 5th Board of Directors reviewed and approved the *Proposal on the Extension of the Phase II Employee Share Ownership Plan*, agreeing to extend the duration of the Company’s Phase II Employee Share Ownership Plan by 24 months to December 10, 2024. 6. On November 18, 2022, the meeting of the participants of the Phase II Employee Share Ownership Plan reviewed and approved the *Proposal on the Adjustment of Participants in the Phase II Employee Share Ownership Plan*. It was agreed that the 446,170 units of the plan held by the original participant Guo Lin, corresponding to 71,225 tradable shares of the Company, would be		

			transferred in equal parts to Chai Yongzhi, Wen Jian, and Dong Huimin, with each receiving one-third of the shares. Upon completion of the transfer, the Phase II Employee Share Ownership Plan had 22 participants, holding a total of 1.4245 million shares of the Company. 7. On July 4, 2023, the meeting of the participants of the Phase II Employee Share Ownership Plan reviewed and approved the *Proposal on Adjusting the Management Model of the Phase II Employee Share Ownership Plan*, agreeing to change the management model of the Phase II plan from being entrusted to Guosen Securities Co., Ltd. to self-management by the Company. 8. On September 10, 2024, the meeting of the participants of the Phase II Employee Share Ownership Plan reviewed and approved the *Proposal on the Change of Participants in the Phase II Employee Share Ownership Plan*. 9. On December 16, 2024, the meeting of the participants of the Phase II Employee Share Ownership Plan reviewed and approved the *Proposal on the Extension of the Phase II Employee Share Ownership Plan*, agreeing to extend the duration of the Company's Phase II Employee Share Ownership		

			Plan to December 31, 2026.		
Phase 1 Employee Share Ownership Plan in 2024	333	2,471,700	1. On March 8, 2024, the Company held its first Extraordinary General Meeting of 2024, at which the *Centre Testing International Group Co., Ltd. 2024 Phase I Employee Share Ownership Plan (Draft) and its Summary* was reviewed and approved. 2. On June 4, 2024, the Company's 2024 Phase I Employee Share Ownership Plan cumulatively purchased 2.4717 million shares of the Company through the secondary market, accounting for 0.15% of the Company's current total share capital. The total transaction amount was CNY 28.4995 million (excluding transaction fees), with an average transaction price of CNY 11.53 per share. The Company's 2024 Phase I Employee Share Ownership Plan has completed the stock purchase, and the actual subscribed shares did not exceed the maximum number of shares approved for subscription by the shareholders' general meeting. The purchased shares will be subject to a lock-up period in accordance with regulations. The lock-up period for the Company's 2024 Phase I Employee Share Ownership Plan is 12 months (from June 5, 2024, to June 4, 2025). 3. On October 9, 2024, the management	0.15%	Self-raised funds of employees and compensated loans provided by major shareholders

			committee of the 2024 Phase I Employee Share Ownership Plan reviewed and approved matters concerning the change of participants. 4. As at October 27, 2025, the 2.4717 million shares of the Company held by this employee share ownership plan have been fully sold through centralized bidding trading.		

Shares held by directors 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%
Tian Qi (Phase 1 Employee Share Ownership Plan)	Vice President	68,135	68,135	0.0041%

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

On March 31, 2025, the Company held the 22nd meeting of the 6th Board of Directors and the 15th meeting of the 6th Board of Supervisors, at which the relevant proposals for the Phase IV Employee Share Ownership Plan were reviewed and approved, and related matters were advanced. Subsequently, due to tariff policies and changes in the capital market, volatility in the A-share market intensified. The plan's grant price of CNY 12.91 per share deviated significantly from the current stock price, making it difficult to motivate employees and rendering the plan unfeasible. To protect the interests of the Company, its shareholders, and employees, after careful consideration, the Company held the 24th meeting of the 6th Board of Directors and the 17th meeting of the 6th Board of Supervisors on June 23, 2025, at which the *Proposal on the Termination of the Phase IV Employee Share Ownership Plan* was reviewed and approved, thereby terminating the plan. The Company will select an appropriate time and method to establish a long-term and effective incentive mechanism, based on its actual business operations, changes in the market environment, and the wishes of its employees.

Other Notes:

On November 3, 2025, and November 28, 2025, the Company held the 27th meeting of the 6th Board of Directors and the first Extraordinary General Meeting of 2025, respectively, at which relevant proposals including the *Centre Testing International Group Co., Ltd. Phase IV Employee Share Ownership Plan (Draft) and its Summary* and the *Management Measures for the Centre Testing International Group Co., Ltd. Phase IV Employee Share Ownership Plan* were reviewed and approved. Based on the verification of actual subscriptions and final payments by the participants, a total of 454 employees actually participated in and subscribed to this employee share ownership plan, for a total of 5 million shares, raising a total of CNY 71.05 million. On February 24, 2026, the 5 million shares of the Company's stock (accounting for 0.2971% of the Company's total share capital) held in the dedicated repurchase securities account were transferred via a non-trade transfer at a price of CNY 14.21 per share to the dedicated account "Centre Testing International Group Co., Ltd. - Phase IV Employee Share Ownership Plan". The non-trade transfer for this employee share ownership plan was executed without any discrepancy from the plan reviewed and approved by the shareholders' general meeting.

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 Shareholders' Meeting 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, shall not exceed CNY 290.043 million. On December 20, 2022, the capital increase and share expansion of CTI Pharmaceuticals and related transactions were 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 Shareholders' Meeting. 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.

XIII. 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

XIV. 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
Jiangsu Honghai Vehicle Testing Co., Ltd.	It will be included in the scope of consolidated financial statements in 2025, 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
ALS Chemex Guangzhou Co., Ltd.	It will be included in the scope of consolidated financial statements in 2025, 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
Huan'an Biological Technology Service Co., Ltd.	It will be included in the scope of consolidated financial statements in 2025, 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	Completed	None	None	None	None

	collaboration will be completed.					
Shenzhen Openview Information Consulting Co., Ltd.	It will be included in the scope of consolidated financial statements in 2025, 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
Safety SA Topco (Pty) Ltd	Included in the scope of consolidation from Q4 2025, with preliminary integration of finance, HR, and sales functions completed.	In progress	None	None	None	Continuing to advance the integration according to the plan.
Laboratcire MIDAC	Included in the scope of consolidation in 2025, with the integration of finance and HR functional departments completed.	In progress	None	None	None	Continuing to advance the integration according to the plan.
OPENVIEW SE RVICE VN JOINT STOCK COMPANY	It will be included in the scope of consolidated financial statements in 2025, 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
Emicert Audit Verification and Certification Services Ltd	It will be included in the scope of consolidated financial statements in 2025, and the integration of financial, IT and HR functional departments will be	Completed	None	None	None	None

	completed; the integration of operations, technical capabilities and sales will be completed, and business collaboration will be completed.					

Anomalies in the management control over subsidiaries

☐Yes ☑No

XV. Internal control evaluation report and internal control audit report

1. Internal control evaluation report

Disclosure date of full text of internal control evaluation report	March 31, 2026	
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 revenue of the units included in the evaluation scope to the operating revenue 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, 2025, 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	March 31, 2026
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

Whether a non-standard audit opinion on internal control was issued for the reporting period or the previous year

☐Yes ☑No

XVI. 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.

XVII. Environmental information disclosure

Whether the Company and its major subsidiaries are included in the list of enterprises required to disclose environmental information by law

☐Yes ☑No

XVIII. Social responsibility

The Environmental, Social and Governance Report 2025 was released on March 31, 2026 at www.cninfo.com.cn.

XIX. Consolidation and expansion of the results of poverty alleviation and rural revitalization

None.

Section 5 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 exercise the voting rights corresponding to the shares I have acquired without compensation; (3) If Mr.	June 28, 2017	Long-term	Normal execution

			Wanfeng resigns, he shall not be transferred within 6 months after his resignation, and the transfer amount shall not exceed 50% of the total number of shares held within 18 months after his resignation; (4) The CSRC and Shenzhen Stock Exchange have relevant regulations on restricted shares; (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 shall 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 shall 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

3. Performance commitments involving the Company

☐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, Audit Committee 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 31 and decreased by 7. For detailed information on the entities with changed scope of consolidation, refer to Section 80.9 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)	275
Continuous years of audit services provided by domestic accounting firm	3
Name of CPA of domestic accounting firm	Lin Wanke, Huang Jialin
Continuous years of audit services provided by the registered accountants of domestic accounting firm (if any)	Lin Wanke: 1 year; Huang Jialin: 3 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

At the 2024 Annual General Meeting held on May 18, 2025, the Company reviewed and approved the *Proposal on the Re-appointment of the Audit Firm for the Company's 2025 Financial Report and Internal Control*. It was agreed to re-appoint Beijing Dehao International Certified Public Accountants (Special General Partnership) as the Company's audit service provider for 2025, responsible for the Company's 2025 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	2,364.85	No	Under trial	The amount is small and will not have a significant impact on the Company.	None		
Litigation settled	2,959.37	No	Settled	All lawsuits have been decided and will not have a significant	None		

				impact on the Company			

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
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	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	August 12, 2024	53.74		0		None	None		No	No

Co., Ltd.										
CTI engineering Testing Co., Ltd.	November 25, 2024	40.2	January 2, 2025	40.2	General guarantee	None	None	From January 2, 2025 to December 31, 2025	Yes	No
CTI engineering Testing Co., Ltd.	November 25, 2024	74	January 2, 2025	74	General guarantee	None	None	From January 2, 2025 to December 31, 2025	Yes	No
CTI engineering Testing Co., Ltd.	October 27, 2025	42.43	October 31, 2025	42.43	General guarantee	None	None	From October 31, 2025 to December 31, 2026	No	No
CTI engineering Testing Co., Ltd.	December 26, 2025	40.2	December 31, 2025	40.2	General guarantee	None	None	From December 31, 2025 to December 31, 2026	No	No
CTI engineering Testing Co., Ltd.	December 26, 2025	74	December 31, 2025	74	General guarantee	None	None	From December 31, 2025 to December 31, 2026	No	No
Total approved guarantee amount for subsidiaries during the reporting period (B1)		156.63		Total actual amount of guarantees provided to subsidiaries during the reporting period (B2)						156.63
Total approved guarantee lines for subsidiaries at the end of the reporting period (B3)		1,118.82		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)						934.27
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	59.86		None	None	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)						0
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						59.86

		reporting period (C4)	
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)	156.63	Total actual amount of guarantees incurred during the reporting period (A2+B2+C2)	156.63
Total approved guarantee lines at the end of the reporting period (A3+B3+C3)	3,310.06	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)	994.13
Total outstanding balance of guarantees (i.e., A4+B4+C4) as a percentage of the Company's net assets		0.13%	
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)		None	
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

Product sector	Risk profile	Balance of entrusted wealth management products during the reporting period	Overdue amount
Bank financial products	R2 Low-to-Moderate Risk	2,000	0
Wealth management products from securities firms	R2 Low-to-Moderate Risk	3,000	0
Trust wealth management products	R2 Low-to-Moderate Risk	2,000	0
Publicly offered fund products	R2 Low-to-Moderate Risk	3,000	0
Others	Risk-free deposits	28400	0

Note: "Others" refers to large-denomination bank certificates of deposit.

Details of the Company, as a sole client, entrusting financial institutions with asset management, or investing in high-risk entrusted wealth management products with low security and poor liquidity

☐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. Use of raised funds

☐Applicable ☑Not applicable

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

XVII. Description of other major matters

☑Applicable ☐Not applicable

Announcement No.	Announcement content	Disclosed on	Disclosure media
2025-001	Announcement on the Progress of Share Repurchase	2025-01-03	http://www.cninfo.com.cn
2025-002	2024 Preliminary Annual Earnings Release	2025-01-17	http://www.cninfo.com.cn
2025-003	Announcement on the Progress of Share Repurchase	2025-01-27	http://www.cninfo.com.cn
2025-004	Announcement on the Progress of Land Purchase and Investment in Construction Projects	2025-02-07	http://www.cninfo.com.cn
2025-005	Announcement on the Progress of Share Repurchase	2025-03-07	http://www.cninfo.com.cn
2025-006	Announcement on Resolution of the 21th Meeting of the 6th Board of Directors	2025-03-18	http://www.cninfo.com.cn
2025-007	Announcement on Resolution of the 22th Meeting of the 6th Board of Directors	2025-04-01	http://www.cninfo.com.cn
2025-008	Announcement on Resolution of the 15th Meeting of the 6th Board of Supervisors	2025-04-01	http://www.cninfo.com.cn
2025-009	Announcement on Use of Idle Self-owned Funds for Entrusted Financial Management	2025-04-01	http://www.cninfo.com.cn
2025-010	Announcement on the Progress of Share Repurchase	2025-04-03	http://www.cninfo.com.cn
2025-011	Notice of Holding an Online Presentation on 2024 Annual Results	2025-04-11	http://www.cninfo.com.cn
2025-012	Announcement on Resolution of the 23th Meeting of the 6th Board of Directors	2025-04-18	http://www.cninfo.com.cn
2025-013	Announcement on Resolution of the 16th Meeting of the 6th Board of Supervisors	2025-04-18	http://www.cninfo.com.cn
2025-014	Report of the Audit Committee of Board of Directors on Supervising the Duties of the Accounting Firm	2025-04-18	http://www.cninfo.com.cn
2025-015	Assessment Report on the Accounting Firm’s Performance in 2024	2025-04-18	http://www.cninfo.com.cn
2025-016	Announcement on Annual Profit Distribution Plan in 2024	2025-04-18	http://www.cninfo.com.cn
2025-017	Notice on Holding 2024 Annual Shareholders’ Meeting	2025-04-18	http://www.cninfo.com.cn
2025-018	Annual Report 2024 Summary	2025-04-18	http://www.cninfo.com.cn
2025-019	Q1 Report of 2025	2025-04-18	http://www.cninfo.com.cn
2025-020	Announcement on the Re-appointment of the Audit Firm for the 2025 Financial Report and Internal Control	2025-04-18	http://www.cninfo.com.cn
2025-021	Announcement on Proposing the General Meeting to Authorize the Board of Directors to Formulate and Implement an Interim Dividend Plan	2025-04-18	http://www.cninfo.com.cn
2025-022	2024 Annual Internal Control Evaluation Report	2025-04-18	http://www.cninfo.com.cn

2025-023	2024 Annual Final Financial Report	2025-04-18	http://www.cninfo.com.cn
2025-024	Announcement on the 2024 Provision for Asset Impairment and Write-off of Assets	2025-04-18	http://www.cninfo.com.cn
2025-025	Progress Announcement on the “Dual Improvement of Quality and Returns” Action Plan	2025-04-18	http://www.cninfo.com.cn
2025-026	Announcement on Completion of the Company’s share repurchase and share changes	2025-04-22	http://www.cninfo.com.cn
2025-027	Announcement on Resolution of the Annual Shareholders’ Meeting in 2024	2025-05-20	http://www.cninfo.com.cn
2025-028	Announcement on Implementation of Annual Equity Distribution of 2024	2025-05-21	http://www.cninfo.com.cn
2025-029	Announcement on Resolution of the 24th Meeting of the 6th Board of Directors	2025-06-24	http://www.cninfo.com.cn
2025-030	Announcement on Resolution of the 17th Meeting of the 6th Board of Supervisors	2025-06-24	http://www.cninfo.com.cn
2025-031	Announcement on the Extension of the Phase I Employee Share Ownership Plan	2025-06-24	http://www.cninfo.com.cn
2025-032	Announcement on the Termination of the Phase IV Employee Share Ownership Plan	2025-06-24	http://www.cninfo.com.cn
2025-033	Pre-disclosure Announcement on Changes in the Shareholding of a Party Acting in Concert with the Actual Controller	2025-06-27	http://www.cninfo.com.cn
2025-034	Forecast of Results for Half Year of 2025	2025-07-11	http://www.cninfo.com.cn
2025-035	Announcement on the Completion of the Change in Shareholding of a Party Acting in Concert with the Actual Controller	2025-08-09	http://www.cninfo.com.cn
2025-036	Announcement on Resolution of the 25th Meeting of the 6th Board of Directors	2025-08-22	http://www.cninfo.com.cn
2025-037	Announcement on the Preliminary Plan for the 2025 Interim Profit Distribution	2025-08-22	http://www.cninfo.com.cn
2025-038	Announcement on Application for A Comprehensive Credit Line from the Bank	2025-08-22	http://www.cninfo.com.cn
2025-039	Announcement on Resolution of the 18th Meeting of the 6th Board of Supervisors	2025-08-22	http://www.cninfo.com.cn
2025-040	2025 Semi-Annual Report Summary	2025-08-22	http://www.cninfo.com.cn
2025-041	Announcement on the Implementation of the 2025 Interim Equity Distribution	2025-09-25	http://www.cninfo.com.cn
2025-042	2025 Q1-Q3 Earnings Forecast	2025-10-15	http://www.cninfo.com.cn
2025-043	Announcement on Resolution of the 26th Meeting of the 6th Board of Directors	2025-10-27	http://www.cninfo.com.cn
2025-044	Q3 Report of 2025	2025-10-27	http://www.cninfo.com.cn
2025-045	Announcement on Resolution of the 19th Meeting of the 6th Board of Supervisors	2025-10-27	http://www.cninfo.com.cn
2025-046	Announcement on Issuance of Performance Guarantee for Subsidiaries	2025-10-27	http://www.cninfo.com.cn
2025-047	Announcement on the Completion of Share Sales and Final Implementation of the Phase I 2024 Employee Share Ownership Plan	2025-10-29	http://www.cninfo.com.cn
2025-048	Announcement on Resolution of the 27th Meeting of the 6th Board of Directors	2025-11-04	http://www.cninfo.com.cn
2025-049	Announcement on Resolution of the 20th Meeting of the 6th Board of Supervisors	2025-11-04	http://www.cninfo.com.cn
2025-050	Announcement on Resolution of the 28th Meeting of the 6th Board of Directors	2025-11-12	http://www.cninfo.com.cn
2025-051	Notice of the First Extraordinary General Meeting of 2025	2025-11-12	http://www.cninfo.com.cn
2025-052	Announcement on the Resignation of an Independent Director	2025-11-12	http://www.cninfo.com.cn
2025-053	Announcement on Adjustments to the Corporate Governance Structure and Amendments to the Articles of Association	2025-11-12	http://www.cninfo.com.cn
2025-054	Resolutions of the First Extraordinary General Meeting of 2025	2025-11-29	http://www.cninfo.com.cn
2025-055	Resolutions of the First Meeting of the Seventh Board of Directors	2025-12-26	http://www.cninfo.com.cn
2025-056	Announcement on Issuance of Performance Guarantee for Subsidiaries	2025-12-26	http://www.cninfo.com.cn
2025-057	Announcement on the Completion of the Board of Directors’ Re-election,	2025-12-26	http://www.cninfo.com.cn

	Appointment of Executives and Securities Affairs Representative, and the Departure of Certain Executives upon Expiration of Their Term of Office		

XVIII. Major matters of the Company's subsidiaries

☑Applicable ☐Not applicable

1. On January 23, 2025, the 26th meeting of the Strategy and ESG Committee of the Sixth Board of Directors reviewed and approved the *Proposal on Capital Increase to a Subsidiary*, consenting to a capital increase of SGD 4.805 million to CTI Hong Kong, which will in turn make a capital increase of SGD 4.805 million to MARITEC.

2. On March 17, 2025, the 28th meeting of the Strategy and ESG Committee of the Sixth Board of Directors reviewed and approved the *Proposal on Capital Increase to imat-uve GmbH*, consenting to a capital increase of EUR 3.6 million in proportion to the Company's shareholding, effected through a multi-layered capital injection via its subsidiary CTI Holding (Hong Kong) Co., Ltd. and sub-subsidiary CTI. Germany Holding GmbH & Co. KG to imat-uve GmbH. This capital increase was fully recognized as capital reserve and did not increase the registered capital.

3. On May 26, 2025, the 30th meeting of the Strategy and ESG Committee of the Sixth Board of Directors reviewed and approved the *Proposal on the Transfer of Subsidiary Equity*. To support the business expansion and meet the bidding requirements of its holding subsidiary Sichuan Jianxin and its wholly-owned subsidiary CTI Engineering, the Group restructured the equity framework of its internal subsidiaries. This involved contributing an 80% equity stake in Sichuan Jianxin, valued at CNY 14.94 million, as a capital increase to the wholly-owned subsidiary Southern Pinbiao, and contributing a 100% equity stake in CTI Engineering, valued at CNY 47.9212 million, as a capital increase to Southern Pinbiao.

4. On June 4, 2025, the 31st meeting of the Strategy and ESG Committee of the Sixth Board of Directors reviewed and approved the *Proposal on the Acquisition of Partial Equity in Greek Companies by a Wholly-owned Subsidiary*, consenting to the acquisition of a 51% equity stake in Emicert Ltd and Enviromentrics S.A, as well as partial equity in ECOMETRIX ltd and ECOMETRIX BG ltd, by the Company's wholly-owned subsidiary, Centre Testing International (Holdings) Pte. Ltd.

5. On June 4, 2025, the 31st meeting of the Strategy and ESG Committee of the Sixth Board of Directors reviewed and approved the *Proposal on the Acquisition of Equity in and Capital Increase to South Africa's SafetySA Group*, consenting to the acquisition of a 100% equity stake in Safety SA Topco Proprietary Limited and a 100% equity stake in Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.

6. On September 28, 2025, the 33rd meeting of the Strategy and ESG Committee of the Sixth Board of Directors reviewed and approved the *Proposal on Capital Increase to a Subsidiary and Acquisition of Assets via the Subsidiary*, consenting to the acquisition of fixed assets (a monkey farm) and biological assets (cynomolgus monkeys and rhesus monkeys) of Guangxi Hechi Rongqi Biotechnology Co., Ltd. ("Guangxi Rongqi") by the Company's wholly-owned subsidiary, Guangxi Hechi Pinsheng Biotechnology Co., Ltd. ("CTI Pinsheng"). To facilitate this asset acquisition and subsequent development, the Company invested CNY 30 million in CTI Pinsheng, of which CNY 10 million was a paid-in registered capital contribution and CNY 20 million was a capital increase, bringing CTI Pinsheng's registered capital to CNY 30 million after the increase.

7. On December 1, 2025, the 33rd meeting of the Strategy and ESG Committee of the Sixth Board of Directors reviewed and approved the *Proposal on the Transfer of Subsidiary Equity*. In April 2021, to meet the business needs for bidding as a small and medium-sized enterprise, the Company's subsidiary Henan CTI Testing Technology Co., Ltd. ("Henan CTI") transferred its 100% equity stake in Henan CTI to another subsidiary, Shanxi CTI Testing and Certification Co., Ltd. ("Shanxi CTI"). In December 2021, due to strategic planning and business development needs, the Group established CTI Northern Pinbiao Testing (Beijing) Co., Ltd., CTI Southern Pinbiao Testing (Shenzhen) Co., Ltd., and CTI Pindong Testing (Shanghai) Co., Ltd. as holding platform companies. The Environment Division of Shanxi CTI is required to commence environmental business in Shanxi in 2026, which would change Shanxi CTI's role from its intended position as a holding platform. This transaction involves transferring the 100% equity stake in Henan CTI to the Company's holding platform, Northern Pinbiao, while concurrently reducing the registered capital of Shanxi CTI to CNY 10 million. Ultimately, this ensures that the total equity and shareholding structure of Northern Pinbiao regarding Henan CTI remain unchanged after the ownership transfer.

Section 6 Share Changes and Shareholder Information

I. Changes in shares

1. Changes in shares

Unit: shares

	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%				527,525	527,525	251,586,051	14.95%
1. Shareholding by the State									
2. Shareholding by state- owned legal person									
3. Shareholding by other investments	251,058,526	14.92%				527,525	527,525	251,586,051	14.95%
Including: Shareholding by domestic legal person									
Shareholding by domestic natural person	251,058,526	14.92%				527,525	527,525	251,586,051	14.95%
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%				−527,525	−527,525	1,431,242,163	85.05%
1. CNY ordinary shares	1,431,769,688	85.08%				−527,525	−527,525	1,431,242,163	85.05%
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%				0	0	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

During the reporting period, the share buyback had a slight impact on financial metrics such as Earnings Per Share (EPS) and Net Assets Per Share. Considering the above factors, for 2024, basic earnings per share was CNY 0.5500 per share, diluted earnings per share was CNY 0.5500 per share, and net assets per share attributable to shareholders of the listed company was CNY 4.1308 per share. For 2025, basic earnings per share was CNY 0.6075 per share, diluted earnings per share was CNY 0.6075 per share, and net assets per share attributable to shareholders of the listed company was CNY 4.5869 per share.

☐Applicable ☑Not applicable

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: shares

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, 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
Zeng Xiaohu	521,250	173,750	0	695,000	Locking of shareholdings of directors, supervisors and executives	6 months after departure upon expiration of the term of office
Xu Jiang	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
Tian Qi	0	345,000	0	345,000	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
Liu Jidi		8,775	0	8,775		
Total	251,058,526	527,525	0	251,586,051	--	--

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: shares

Total number of ordinary shareholders at the end of the reporting period	60,752	Total number of ordinary shareholders at the end of the previous month before the disclosure date of Annual Report	61400	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
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	17.64%	296,905,782	95,803,991	0	296,905,782	Not applicable	0
Wan Feng	Domestic natural persons	14.94%	251,335,874	0	188,501,905.00	62,833,969	Not applicable	0
Yu Cuiping	Domestic natural persons	4.09%	68,775,500	0	51,581,625.00	17,193,875	Not applicable	0
Industrial and Commercial Bank of China Limited - E	Others	1.58%	26,665,600	−11,999,093	0	26,665,600	Not applicable	0

Fund China Growth Enterprise Market Exchange Traded Open-ended Index Securities Investment Fund								
Agricultural Bank of China Limited - China Securities 500 Exchange-Traded Open-ended Index Securities Investment Fund	Others	1.48%	24,872,500	1,313,200	0	24,872,500	Not applicable	0
First Sentier Investors (UK) Limited - FSSA China Growth Fund	Overseas legal person	1.13%	18,938,100	1,469,800	0	18,938,100	Not applicable	0
Bank of China Limited - Harvest Growth & Sharing Hybrid Securities Investment Fund	Others	0.99%	16,586,700	16,586,700	0	16,586,700	Not applicable	0
Agricultural Bank of China Co., Ltd. - Harvest Emerging Industries Equity Securities Investment Fund	Others	0.82%	13,772,463	−15,121,200	0	13,772,463	Not applicable	0
NCSSF Portfolio 602	Others	0.74%	12,412,300	12,412,300	0	12,412,300	Not applicable	0
Basic Pension Insurance Fund Portfolio 807	Others	0.64%	10,734,048	0	0	10,734,048	Not applicable	0
The situation in which strategic investors or		Not applicable						

general legal persons become top 10 shareholders as a result of new shares placement (if any) (see Note 4)	
Explanation of the above shareholders' related relationships or concerted actions	Mr. Wan Feng is the actual controller of the Company. 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.	296,905,782	CNY ordinary shares	296,905,782
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	26,665,600	CNY ordinary shares	26,665,600
Agricultural Bank of China Limited - China Securities 500 Exchange-Traded Open-ended Index Securities Investment Fund	24,872,500	CNY ordinary shares	24,872,500
First Sentier Investors (UK) Limited - FSSA China Growth Fund	18,938,100	CNY ordinary shares	18,938,100
Yu Cuiping	17,193,875	CNY ordinary shares	17,193,875
Bank of China Limited - Harvest Growth & Sharing Hybrid Securities Investment Fund	16,586,700	CNY ordinary shares	16,586,700
Agricultural Bank of China Co., Ltd. - Harvest Emerging Industries Equity Securities Investment Fund	13,772,463	CNY ordinary shares	13,772,463
NCSSF Portfolio 602	12,412,300	CNY ordinary shares	12,412,300
Basic Pension Insurance Fund Portfolio 807	10,734,048	CNY ordinary shares	10,734,048
Description of the relationship or concerted	Mr. Wan Feng is the actual controller of the Company. 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		

action between the top 10 unrestricted float shareholders and the top 10 unrestricted float shareholders and the top 10 shareholders	obtained through divorce. 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 a natural person

Type of controlling 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	He participated in the founding of CTI in 2003 and served as its Vice President since July 2004. He has been the Chairman of Centre Testing International Group Co., Ltd. since August 2007.	
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	He participated in the founding of CTI in 2003 and served as its Vice President since July 2004. He has been the Chairman of Centre Testing International Group Co., Ltd. since August 2007.		
Domestic and overseas listed companies that have been held	No		

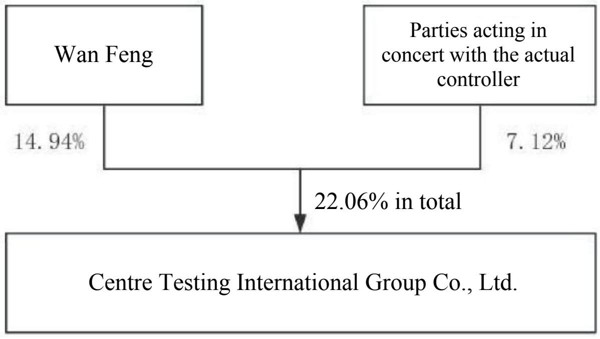
in the past decade	

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, father of Mr. Wan Feng, directly holds 6,800,000 shares of the Company; Mr. Wan Feng holds a total of 44,272,510 shares of the Company through the Bosera Asset Management Plan and Xuanyuan Private Equity Securities Investment Fund products. Mr. Wan Feng has signed acting-in-concert agreements with the aforementioned asset management plans/private equity fund products. 2. Ms. Yu Cuiping, Mr. Wan Feng's ex-wife, has voluntarily and gratuitously entrusted the voting rights corresponding to the 68,775,500 shares she obtained through their divorce settlement to Mr. Wan Feng for exercise. The Company's actual controller, Mr. Wan Feng, and the parties acting in concert with him collectively hold 371,183,884 shares of the Company, representing a shareholding of 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)
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	2,000,000	0.00%

					incentives or Employee Share Ownership Plan		

Progress of the implementation of share repurchase through centralized bidding transactions

☐Applicable ☑Not applicable

V. Preferred Share Information

☐Applicable ☑Not applicable

The Company had no preferred shares during the reporting period.

Section 7 Bond Information

☐Applicable ☑Not applicable

Section 8 Financial Statements

I. Audit report

Type of audit opinion	Unqualified opinion
Signing date of audit report	March 27, 2026
Name of audit institution	Beijing Dehao International Certified Public Accountants (Special General Partnership)
Audit Report No.	D.H.S.Z. [2026] No. 00000873
Name of CPA	Lin Wanke, 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, 2025, 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 2025, 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, 2025, and the consolidated and parent company operating results and cash flows for 2025.

II. Basis for opinion

We conducted our audit in accordance with the Chinese Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. In accordance with the *Chinese CPA Independence Standards No. 1 - Requirements for Independence in Financial Statement Audit and Review Engagements* and the Code of Ethics for Chinese Certified Public Accountants, we are independent of CTI and have fulfilled our other ethical responsibilities. We have complied with the independence requirements applicable to the audit of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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

As described in Note V, Significant Accounting Policies and Estimates, note 37, "Revenue", and Note VII, note 61, "Operating Revenue and Cost", in the accompanying financial statements. CTI's main business belongs to the testing industry, whose characteristics result in a fragmented market with a highly dispersed client base and large transaction volumes. Operating revenue is a key performance indicator. There is an inherent risk that management may manipulate revenue recognition to achieve certain targets or meet expectations. Accordingly, we have identified revenue recognition as a key audit matter for CTI.

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 Estimates, note 30 “Impairment of Long-term Assets”, and Note VII, note 27, “Goodwill”, in the accompanying financial statements. Due to the significance of goodwill to the consolidated financial statements, and because the assessment of whether an impairment loss shall be recognized involves significant management judgment and estimates, particularly regarding the forecast of future cash flows, including key assumptions about forecast revenues, long-term average growth rates, profit margins, and the determination of an appropriate discount rate. These key assumptions are inherently uncertain and subject to potential management bias. Therefore, we have 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 2025 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 shall 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 shall 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:	
Beijing, China		(Program Partner)	Lin Wanke
		Chinese CPA:	
			Huang Jialin
		March 27, 2026	

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.

December 31, 2025

Unit: CNY

Items	Closing balance	Opening balance
Current assets:		
Cash and cash equivalents	1,275,482,258.23	882,727,579.22
Deposit reservation for balance		
Lending funds		
Trading financial assets	102,549,436.04	443,026,438.36
Derivative financial assets		
Notes receivable	34,509,380.94	24,062,986.59
Accounts receivable	2,069,115,516.18	1,980,208,076.51
Receivables financing		
Prepayments	68,774,423.71	32,441,659.06
Premiums receivable		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	84,439,271.51	103,247,564.07
Including: Interests receivable		
Dividends receivable		
Redemptory financial assets for sale		
Inventories	125,829,619.93	100,567,954.67
Including: Data resources		
Contract assets	268,391,163.82	257,887,396.24
Assets held for sale		
Non-current assets due within one year		
Other current assets	396,474,485.40	402,795,137.56
Total current assets	4,425,565,555.76	4,226,964,792.28
Non-current assets:		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	395,002,150.98	364,772,927.66
Other equity instrument investments		
Other non-current financial assets	10,589,433.91	15,486,543.73
Investment property	29,904,194.98	30,649,324.99
Fixed assets	2,754,066,719.43	2,646,225,977.26
Construction in progress	299,144,593.55	102,140,783.53
Productive biological assets		
Oil and gas assets		
Right-of-use assets	311,371,611.74	318,417,593.43
Intangible assets	287,566,112.16	186,019,761.77
Including: Data resources		
Development expenditure	1,601,841.73	

Including: Data resources		
Goodwill	1,352,130,624.80	1,078,671,947.55
Long-term prepaid expenses	124,974,855.26	127,492,711.04
Deferred tax assets	244,655,299.31	208,482,896.13
Other non-current assets	142,528,085.43	147,278,820.49
Total non-current assets	5,953,535,523.28	5,225,639,287.58
Total assets	10,379,101,079.04	9,452,604,079.86
Current liabilities:		
Short-term borrowings	40,110,856.53	2,002,016.65
Borrowing from the central bank		
Borrowing funds		
Trading financial liabilities		981,621.78
Derivative financial liabilities		
Notes payable	6,729,173.46	3,690,516.92
Accounts payable	836,339,490.03	818,418,320.02
Advance amount		
Contract liabilities	159,795,835.48	127,048,211.65
Financial assets sold and repurchased		
Deposits from clients and interbank		
Agent for purchasing and selling securities		
Agent for underwriting securities funds		
Salaries payable	579,879,722.09	484,577,317.12
Taxes payable	93,213,412.05	78,629,791.53
Other payables	164,593,948.32	170,793,342.08
Including: Interests payable		
Dividends payable	6,668,275.19	631,042.91
Handling fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	114,083,643.35	114,646,152.94
Other current liabilities	3,114,900.12	3,371,893.02
Total current liabilities	1,997,860,981.43	1,804,159,183.71
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	21,280,121.23	9,783,815.87
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	221,509,486.72	230,723,734.67
Long-term payable		
Long-term salaries payable		
Provisions	5,813,102.77	5,053,239.99
Deferred income	59,343,735.58	73,585,257.03
Deferred tax liabilities	172,604,530.60	168,445,167.89
Other non-current liabilities		
Total non-current liabilities	480,550,976.90	487,591,215.45
Total liabilities	2,478,411,958.33	2,291,750,399.16
Owners' equity:		
Share capital	1,682,828,214.00	1,682,828,214.00

Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	406,201,582.83	414,245,301.53
Less: Treasury stock	157,081,095.61	147,847,373.19
Other comprehensive revenues	26,976,798.89	15,564,473.23
Special reserves		
Surplus reserve	468,133,637.13	399,215,371.44
General risk reserve		
Retained earnings	5,245,958,501.89	4,549,382,906.01
Total equities attributable to owners of the parent company	7,673,017,639.13	6,913,388,893.02
Minority shareholders' interests	227,671,481.58	247,464,787.68
Total owners' equity	7,900,689,120.71	7,160,853,680.70
Total liabilities and owners' equities	10,379,101,079.04	9,452,604,079.86

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	617,184,785.25	305,260,022.66
Trading financial assets	102,549,436.04	400,000,000.00
Derivative financial assets		
Notes receivable	4,683,011.09	1,474,768.45
Accounts receivable	456,281,155.93	463,668,638.02
Receivables financing		
Prepayments	12,490,214.09	8,058,686.71
Other receivables	462,364,345.52	768,898,241.88
Including: Interests receivable		
Dividends receivable	319,668,721.25	276,168,721.25
Inventories	4,671,578.14	5,022,087.41
Including: Data resources		
Contract assets	19,297,933.85	38,887,727.92
Assets held for sale		
Non-current assets due within one year		
Other current assets	301,368,608.23	288,427,314.73
Total current assets	1,980,891,068.14	2,279,697,487.78
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	4,814,800,404.26	3,802,928,091.71
Other equity instrument investments		
Other non-current financial assets		
Investment property	46,950,098.62	48,154,769.66
Fixed assets	336,807,716.96	303,876,308.63
Construction in progress	29,359,282.15	7,466,864.30
Productive biological assets		
Oil and gas assets		

Right-of-use assets	40,117,792.85	56,389,089.79
Intangible assets	47,784,484.63	43,093,343.10
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term prepaid expenses	5,199,979.24	6,267,342.11
Deferred tax assets	16,550,245.29	18,369,788.28
Other non-current assets	14,045,519.01	11,899,721.01
Total non-current assets	5,351,615,523.01	4,298,445,318.59
Total assets	7,332,506,591.15	6,578,142,806.37
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	253,209,945.13	196,400,529.60
Advance amount		
Contract liabilities	29,266,723.41	25,194,272.39
Salaries payable	115,035,507.12	95,146,211.26
Taxes payable	18,759,588.52	2,764,739.35
Other payables	1,501,519,831.74	1,271,205,400.00
Including: Interests payable		
Dividends payable	31,042.91	31,042.91
Liabilities held for sale		
Non-current liabilities due within one year	16,676,188.16	16,472,125.40
Other current liabilities	766,154.33	418,923.80
Total current liabilities	1,935,233,938.41	1,607,602,201.80
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	28,598,623.21	44,841,311.50
Long-term payable		
Long-term salaries payable		
Provisions		
Deferred income	22,213,216.38	24,167,129.62
Deferred tax liabilities	31,680,440.63	29,558,408.21
Other non-current liabilities		
Total non-current liabilities	82,492,280.22	98,566,849.33
Total liabilities	2,017,726,218.63	1,706,169,051.13
Owners' equity:		
Share capital	1,682,828,214.00	1,682,828,214.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	284,792,822.45	284,792,822.45
Less: Treasury stock	157,081,095.61	147,847,373.19
Other comprehensive income		

Special reserves		
Surplus reserve	468,133,637.13	397,837,179.95
Retained earnings	3,036,106,794.55	2,654,362,912.03
Total owners' equity	5,314,780,372.52	4,871,973,755.24
Total liabilities and owners' equities	7,332,506,591.15	6,578,142,806.37

3. Consolidated income statement

Unit: CNY

Items	2025	2024
I. Total operating revenue	6,620,735,906.71	6,084,016,542.19
Including: Operating revenue	6,620,735,906.71	6,084,016,542.19
Interest income		
Premiums earned		
Handling fees and commission incomes		
II. Total operating cost	5,547,489,321.55	5,056,431,437.22
Including: Operating cost	3,401,869,926.29	3,074,174,694.16
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	38,534,257.02	38,160,462.60
Selling expenses	1,096,339,769.10	1,040,365,650.38
General and administrative expenses	413,639,427.53	370,423,438.51
R&D costs	578,860,300.02	529,292,294.38
Finance costs	18,245,641.59	4,014,897.19
Including: Interest cost	15,564,337.16	15,962,633.30
Interest income	9,367,264.64	11,692,322.17
Add: Other income	48,997,894.25	50,415,470.31
Investment income (loss is indicated with the mark "−")	74,985,632.44	46,254,662.69
Including: Investment income in associated businesses and joint ventures	50,734,076.63	42,246,274.46
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 at fair value (loss is indicated with the mark "−")	2,396,188.91	1,574,118.49
Credit impairment losses (loss is indicated with the mark "−")	−20,947,183.09	−85,382,234.73
Asset impairment losses (loss is indicated with the mark "−")	−64,857,382.13	−33,855,291.50
Gain on disposal of assets (loss is	2,715,022.79	12,019,761.85

indicated with the mark "–")		
III. Operating profit (loss is indicated with the mark "–")	1,116,536,758.33	1,018,611,592.08
Add: Non-operating income	6,235,446.78	6,444,325.43
Less: Non-operating expenses	7,794,000.52	5,695,352.07
IV. Total profit (total loss is indicated with the mark "–")	1,114,978,204.59	1,019,360,565.44
Less: Income tax expense	95,109,395.44	86,472,547.13
V. Net profit (net loss is indicated with the mark "–")	1,019,868,809.15	932,888,018.31
(I) Classification according to business continuity		
1. Net profit from continued operations (net loss is indicated with the mark "–")	1,019,868,809.15	932,888,018.31
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	1,016,418,093.67	921,073,108.56
2. Minority shareholders' profit and loss	3,450,715.48	11,814,909.75
VI. Net of tax of other comprehensive income	11,412,325.66	−4,012,673.67
Net of tax of other comprehensive incomes attributable to owners of the parent company	11,412,325.66	−4,012,673.67
(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 at fair value of other equity instrument investments		
4. Changes at fair value of the enterprise's own credit risk		
5. Others		
(II) Other comprehensive incomes reclassified in profit or loss	11,412,325.66	−4,012,673.67
1. Other comprehensive income that can be transferred to profit or loss using the equity method		
2. Changes at 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	11,412,325.66	−4,012,673.67
7. Others		
Net of tax of other comprehensive incomes attributable to minority		

shareholders		
VII. Total comprehensive income	1,031,281,134.81	928,875,344.64
Total comprehensive income attributable to owners of the parent company	1,027,830,419.33	917,060,434.89
Total comprehensive income attributable to minority shareholders	3,450,715.48	11,814,909.75
VIII. Earnings per share:		
(I) Basic earnings per share	0.6075	0.5500
(II) Diluted earnings per share	0.6075	0.5500

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

4. Income statement of the parent company

Unit: CNY

Items	2025	2024
I. Operating revenue	1,532,473,120.61	1,352,006,270.14
Less: Operating cost	646,241,664.16	713,452,976.14
Taxes and surcharges	8,277,600.03	6,187,139.25
Selling expenses	229,721,932.11	204,455,059.67
General and administrative expenses	134,329,890.58	113,896,414.64
R&D costs	117,619,549.79	95,697,370.50
Finance costs	5,802,090.38	−2,134,267.12
Including: Interest cost	4,274,232.34	5,992,477.16
Interest income	2,421,370.70	5,736,088.55
Add: Other income	5,908,967.23	11,806,791.45
Investment income (loss is indicated with the mark “–”)	357,194,365.71	291,612,169.17
Including: Investment income in associated businesses and joint ventures	50,514,043.77	42,097,065.45
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 at fair value (loss is indicated with the mark “–”)	1,400,467.04	1,538,150.00
Credit impairment losses (loss is indicated with the mark “–”)	−9,077,813.92	−10,367,860.27
Asset impairment losses (loss is indicated with the mark “–”)	1,031,041.84	−697,368.25
Gain on disposal of assets (loss is indicated with the mark “–”)	0.00	64,841.57
II. Operating profit (loss is indicated with the mark “–”)	746,937,421.46	514,408,300.73
Add: Non-operating income	439,683.27	219,323.22
Less: Non-operating expenses	549,542.27	802,581.68
III. Total profit (total loss is indicated with the mark “–”)	746,827,562.46	513,825,042.27
Less: Income tax expense	43,862,990.66	22,075,720.71
IV. Net profit (net loss is indicated with the mark “–”)	702,964,571.80	491,749,321.56
(I) Net profit from continued operations (net loss is indicated with the mark “–”)	702,964,571.80	491,749,321.56

(II) Net profit from discontinued operations (net loss is indicated with the mark “−”)		
V. Net of tax of other comprehensive incomes		
(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 at fair value of other equity instrument investments		
4. Changes at fair value of the enterprise’s own credit risk		
5. Others		
(II) Other comprehensive income reclassified in profit or loss		
1. Other comprehensive income that can be transferred to profit or loss using the equity method		
2. Changes at 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		
7. Others		
VI. Total comprehensive income	702,964,571.80	491,749,321.56
VII. Earnings per share:		
(I) Basic earnings per share	0	0
(II) Diluted earnings per share	0	0

5. Consolidated cash flow statement

Unit: CNY

Items	2025	2024
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	6,864,674,325.75	5,897,253,666.27
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	186,772,869.12	181,223,226.62
Subtotal of cash inflows from operating activities	7,051,447,194.87	6,078,476,892.89
Cash paid for goods and services	1,862,713,821.93	1,541,810,147.98
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	2,727,622,154.37	2,525,919,387.43
Payments of taxes and levies	351,741,849.36	287,386,171.64
Other cash paid relating to operating activities	738,068,872.61	660,461,249.01
Subtotal of cash outflows from operating activities	5,680,146,698.27	5,015,576,956.06
Net cash flows from operating activities	1,371,300,496.60	1,062,899,936.83
II. Cash flows from investing activities:		
Cash received from disposal of investments	4,897,109.82	30,238,574.25
Cash received from returns on investments	34,182,020.69	16,477,075.77
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	32,764,103.42	3,343,069.85
Net cash received from disposal of subsidiaries and other business departments	4,977,393.32	
Other cash received relating to investing activities	1,714,926,985.99	466,364,893.55
Net cash flow from operating activities	1,791,747,613.24	516,423,613.42
Cash paid to acquire fixed assets, intangible assets and other long-term assets	658,207,124.97	691,031,388.55
Cash paid to acquire investments		
Net increase in mortgage loans		
Net cash received from subsidiaries and other business departments	421,899,612.96	261,183,820.35
Other cash paid relating to investing activities	1,325,054,565.26	844,027,673.16
Subtotal of cash outflows from investment activities	2,405,161,303.19	1,796,242,882.06
Net cash flows from investing activities	−613,413,689.95	−1,279,819,268.64
III. Cash flows from financing activities:		
Cash received from capital contributions	3,306,381.70	2,307,900.00

Including: Subsidiaries’ cash received from minority shareholders’ investments	3,306,381.70	2,307,900.00
Cash received from borrowings	60,247,817.91	11,768,779.14
Other cash received relating to financing activities	680,000.00	100,000.00
Subtotal of cash inflows from financing activities	64,234,199.61	14,176,679.14
Cash paid to repay debts	13,365,803.08	11,841,325.57
Cash payments for distribution of dividends or profits or interest expenses	281,221,341.69	185,359,129.12
Including: Dividends and profits paid by subsidiaries to minority shareholders	27,583,522.80	16,069,445.69
Other cash paid relating to financing activities	155,609,275.82	179,132,061.02
Subtotal of cash outflows from financing activities	450,196,420.59	376,332,515.71
Net cash flows from financing activities	−385,962,220.98	−362,155,836.57
IV. Impact of exchange rate changes on cash and cash equivalents	-880,524.22	4,573,884.27
V. Net increase in cash and cash equivalents	371,044,061.45	−574,501,284.11
Add: Cash and cash equivalents at the beginning of the period	850,310,206.78	1,424,811,490.89
VI. Balance of cash and cash equivalents at the end of the period	1,221,354,268.23	850,310,206.78

6. Cash flow statement of the parent company

Unit: CNY

Items	2025	2024
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	1,676,846,503.40	1,265,752,759.61
Tax refunds received		
Other cash received relating to operating activities	5,665,522,289.30	3,028,309,517.35
Subtotal of cash inflows from operating activities	7,342,368,792.70	4,294,062,276.96
Cash paid for goods and services	437,627,273.80	476,977,552.72
Cash paid to and on behalf of employees	442,433,715.04	414,860,467.99
Payments of taxes and levies	78,815,631.30	64,915,087.04
Other cash paid relating to operating activities	5,464,624,427.90	2,844,474,041.53
Subtotal of cash outflows from operating activities	6,423,501,048.04	3,801,227,149.28
Net cash flows from operating activities	918,867,744.66	492,835,127.68
II. Cash flows from investing activities:		
Cash received from disposal of investments		31,402,098.87
Cash received from returns on investments	53,427,886.20	43,381,139.96
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	44,278.00	1,451,364.52
Net cash received from disposal of subsidiaries and other business departments	5,202,884.00	

Other cash received relating to investing activities	1,588,069,837.69	424,266,230.99
Net cash flow from operating activities	1,646,744,885.89	500,500,834.34
Cash paid to acquire fixed assets, intangible assets and other long-term assets	127,074,328.29	116,954,008.95
Cash paid to acquire investments	484,381,210.84	441,634,427.10
Net cash received from subsidiaries and other business departments	67,565,442.46	55,807,578.38
Other cash paid relating to investing activities	1,288,984,565.26	717,127,673.16
Subtotal of cash outflows from investment activities	1,968,005,546.85	1,331,523,687.59
Net cash flows from investing activities	−321,260,660.96	−831,022,853.25
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	19,659,354.54	31,378,000.00
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	19,659,354.54	31,378,000.00
Cash paid to repay debts	22,290,000.00	11,430,000.00
Cash payments for distribution of dividends or profits or interest expenses	254,469,345.64	171,953,518.56
Other cash paid relating to financing activities	31,233,558.81	47,729,879.94
Subtotal of cash outflows from financing activities	307,992,904.45	231,113,398.50
Net cash flows from financing activities	−288,333,549.91	−199,735,398.50
IV. Impact of exchange rate changes on cash and cash equivalents	-845,535.49	245,234.55
V. Net increase in cash and cash equivalents	308,427,998.30	−537,677,889.52
Add: Cash and cash equivalents at the beginning of the period	295,495,855.97	833,173,745.49
VI. Balance of cash and cash equivalents at the end of the period	603,923,854.27	295,495,855.97

7. Consolidated statement of changes in owners' equity

Current amount

Unit: CNY

Items	2025														
	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 revenues	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				414,245,301.53	147,847,373.19	15,564,473.23		399,215,371.44		4,549,382,906.01		6,913,388,893.02	247,464,787.68	7,160,853,680.70
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				414,245,301.53	147,847,373.19	15,564,473.23		399,215,371.44		4,549,382,906.01		6,913,388,893.02	247,464,787.68	7,160,853,680.70
III. Amount of change in the current period (decrease is indicated with the mark "–")					−8,043,718.70	9,233,722.42	11,412,325.66		68,918,265.69		696,575,595.88		759,628,746.11	−19,793,306.10	739,835,440.01
(I) Total comprehensive incomes							11,412,325.66				1,016,418,093.67		1,027,830,419.33	3,450,715.48	1,031,281,134.81
(II) Capital contribution and withdrawal by owners					−8,043,718.70	9,233,722.42							−17,277,441.12	4,214,436.77	−13,063,004.35
1. Common share contributed by owners														3,294,200.14	3,294,200.14
2. Capital invested by holders of other equity instruments															
3. Share-based payments recognized in owners' equity					0.00	9,233,722.42							−9,233,722.42		−9,233,722.42
4. Others					−8,043,718.70								−8,043,718.70	920,236.63	−7,123,482.07
(III) Profit distribution									68,918,265.69		−319,842,497.79		−250,924,232.10	−27,458,458.35	−278,382,690.45
1. Appropriation of surplus reserve									68,918,265.69		−68,918,265.69				
2. Appropriation of general risk reserve															
3. Distributions to owners (or shareholders)											−250,924,232.10		−250,924,232.10	−27,458,458.35	−278,382,690.45
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 the current period	1,682,828,214.00				406,201,582.83	157,081,095.61	26,976,798.89		468,133,637.13		5,245,958,501.89		7,673,017,639.13	227,671,481.58	7,900,689,120.71

Amount of last period

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 revenues	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							−4,012,673				921,073,10		917,060,43	11,814,909.	928,875,34

incomes							.67				8.56		4.89	75	4.64
(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 the current period	1,682,828,214.00				414,245,301.53	147,847,373.19	15,564,473.23		399,215,371.44		4,549,382,906.01		6,913,388,893.02	247,464,787.68	7,160,853,680.70

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

Current amount

Unit: CNY

Items	2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive revenues	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				284,792,822.45	147,847,373.19			397,837,179.95	2,654,362,912.03		4,871,973,755.24
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				284,792,822.45	147,847,373.19			397,837,179.95	2,654,362,912.03		4,871,973,755.24
III. Amount of change in the current period (decrease is indicated with the mark "–")						9,233,722.42			70,296,457.18	381,743,882.52		442,806,617.28
(I) Total comprehensive incomes										702,964,571.80		702,964,571.80
(II) Capital contribution and withdrawal by owners						9,233,722.42						−9,233,722.42
1. Common share contributed by owners												
2. Capital invested by holders of other equity instruments												
3. Share-based						9,233,7						−9,233,

payments recognized in owners' equity						22.42						722.42
4. Others												
(III) Profit distribution									70,296,457.18	−321,220,689.28		−250,924,232.10
1. Appropriation of surplus reserve									70,296,457.18	−70,296,457.18		
2. Distributions to owners (or shareholders)										−250,924,232.10		−250,924,232.10
3. 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 the current period	1,682,828,214.00				284,792,822.45	157,081,095.61			468,133,637.13	3,036,106,794.55		5,314,780,372.52

Amount of last period

Unit: CNY

Items	2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive	Special reserves	Surplus reserve	Retained earning	Others	Total owners' equity
		Preferr	Perpetu	Others								

		ed shares	al bonds				revenue s			s		
I. Balance at the end of the previous year	1,682,828,214.00				284,792,822.45	119,295,717.30			348,662,247.79	2,379,271,344.03		4,576,258,910.97
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				284,792,822.45	119,295,717.30			348,662,247.79	2,379,271,344.03		4,576,258,910.97
III. Amount of change in the current period (decrease is indicated with the mark "–")						28,551,655.89			49,174,932.16	275,091,568.00		295,714,844.27
(I) Total comprehensive incomes										491,749,321.56		491,749,321.56
(II) Capital contribution and withdrawal by owners						28,551,655.89						−28,551,655.89
1. Common share contributed by owners												
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
4. Others												
(III) Profit distribution									49,174,932.16	−216,657,753.56		−167,482,821.40
1. Appropriation of surplus reserve									49,174,932.16	−49,174,932.16		
2. Distributions to owners (or shareholders)										−167,482,821.40		−167,482,821.40
3. 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 the current period	1,682,828,214.00				284,792,822.45	147,847,373.19			397,837,179.95	2,654,362,912.03		4,871,973,755.24

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. 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, 2025, 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 products testing, industrial testing, life sciences, pharmaceuticals, and medical services.

(III) Scope of consolidated financial statements

The Company has 170 subsidiaries included in the consolidated scope for the current period; see Note X, Interests in Other Entities, for details. Compared with the previous period, the number of entities included in the consolidated financial statements has increased by 34 and decreased by 7. For specific information on the entities with changes in the consolidation scope, see Note IX, 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 March 27, 2026.

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 shall be used to adjust the capital reserve (capital premium or share premium). If the capital reserve is insufficient, the retained earnings shall 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 at 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 shall be the initial investment cost of the investment; Other comprehensive income recognized under equity method accounting shall 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 shall 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 shall 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 shall 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 shall be included in the consolidated cash flow statement, and the relevant items of the comparative statements shall 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 shall be the same as that of the acquisition date. 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 at 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 the current period's 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 at 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 trading financial assets 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 shall 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 trading financial assets 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 at 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 at fair value resulting from fluctuations in the Company’s own credit risk are recorded in other comprehensive income, while other changes at fair value are recognized in the current period’s profit or loss. However, if recording changes at 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 at 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, deposits and security deposits, and others	Other receivables from related parties within the scope of consolidation have similar low credit risk characteristics; other receivables such as deposits, security deposits, and others also have similar 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 cost of inventories dispatched is determined using the first-in, first-out (FIFO) method, the specific identification method, or the moving weighted average method.

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 Provisions 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 Provisions, 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

(1) 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 income in the current period.

(2) Conversion from fair value measurement or the equity method to the 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.

(3) 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.

(4) 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.

(5) 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 shall 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:

(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.

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

Cost method

Depreciation or amortization method

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 property	Straight-line method	Based on the property ownership certificate	5.00

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 shall 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 use certificate	Lower of contractual or legal terms
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
Others (Note 1)	10 years	The period during which the intangible asset is expected to provide economic benefits to the Company
Talent housing sublease rights (Note 2)		The period during which the intangible asset is expected to provide economic benefits to the Company

Note 1: Other mainly refers to training courses developed by the Company.

Note 2: According to Article 10 of the *Shenzhen Baoan District Enterprise Talent Public Rental Housing Sales Contract*: After the buyer purchases this housing, if any of the following circumstances occurs, the buyer shall apply to the seller for repurchase: (1) The enterprise's registered address is relocated out of Baoan District; (2) The enterprise goes bankrupt or closes down; (3) The purchased housing needs to be transferred; (4) The purchased housing is disposed of due to enforcement of a bank's first mortgage; (5) The purchased housing is subject to compulsory court enforcement due to economic disputes; (6) Repurchase is required for violating relevant laws, regulations, rules, and normative documents.

In accordance with the relevant provisions of the *Shenzhen Baoan District Enterprise Talent Public Rental Housing Sales Contract*, the Company has no right to dispose of the purchased talent housing and cannot benefit from property value appreciation. The Company only holds the right of allocation and the right to collect rental income. Therefore, the purchase is considered a housing subleasing right. The paid purchase price is recognized as an intangible asset. Based on the contract's repurchase clause, no amortization is required within 10 years. After 10 years, it is amortized at an annual rate of 1.4%.

(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
Trademark rights (Note 1)	Intangible assets with indefinite useful lives are not amortized.
Others (Note 2)	Intangible assets with indefinite useful lives are not amortized.

Note 1: Trademarks are expected to be used and generate anticipated future economic benefits for the Group in the foreseeable future. Therefore, this item is classified as an intangible asset with an indefinite useful life.

Note 2: Other primarily refers to the CNAS qualification acquired by the Company through asset acquisition in 2024. Upon the expiration of the qualification, the Company can renew it with minimal cost. Therefore, this item is classified as an intangible asset with an indefinite useful life.

Intangible assets with indefinite useful lives are not amortized during the holding period. Their useful lives are reassessed at the end of each period. If, upon reassessment at the end of the period, the useful life is still considered indefinite, an impairment test is conducted in each accounting period. The methods for impairment testing of intangible assets and recognition of impairment provisions are detailed in Note 30, "Impairment of Long-term Assets," in these notes.

(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.

1. 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. Provisions

1. Recognition criteria for Provisions

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 Provisions

The Company initially measures Provisions 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 Provisions, the compensation is recognized as an asset only when it is virtually certain that it will be received. The recognized compensation amount shall not exceed the carrying value of the Provisions.

35. Share-based 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

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. 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 revenue is primarily derived 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 products, 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, shall 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 shall not increase the asset's carrying value to exceed its carrying value if no impairment had been recognized.

39. Government grants

1. Types

Government grants 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 grants are classified as government grants related to assets and government grants related to income.

Government grants related to assets are those grants received by the Company to purchase, construct, or otherwise form long- term assets. Government grants related to income are all government grants other than those related to assets.

2. Recognition of government grants

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 grants are recognized upon actual receipt.

For monetary government grants, they are measured at the amount received or receivable. For non-monetary government grants, they are measured at fair value; if the fair value cannot be reliably obtained, they are measured at a nominal amount (CNY 1). Government grants 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 shall 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 grants and consistently applies that method to those transactions.

For government grants related to assets, the grant can either reduce the carrying value of the related assets or be recognized as deferred income. When government grants 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 grants 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 grants related to the Company's routine activities are recorded in other income or used to offset related costs and expenses; government grants unrelated to routine activities are recorded in non-operating income and expenses.

Government grants 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 carry forwards, 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

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

(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 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.

4. 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 December 5, 2025, the Ministry of Finance issued the *Accounting Standards for Business Enterprises Interpretation 19* (C.K. [2025] No. 32, hereinafter referred to as “Interpretation 19”), which stipulates that provisions regarding “Accounting treatment for compensatory assets in business combinations not under common control”, “Accounting treatment for relevant capital reserve upon disposal of a subsidiary originally acquired through a business combination under common control”, “Derecognition of financial liabilities settled through electronic payment systems”, “Assessment and related disclosure of contractual cash flow characteristics of financial assets,” and “Disclosure of equity instruments designated at fair value through other comprehensive income” will be effective from January 1, 2026. Upon initial application of this Interpretation, an enterprise shall make retrospective adjustments in accordance with relevant provisions such as the *Accounting Standards for Business Enterprises No. 28 - Changes in Accounting Policies and Estimates, and Corrections of Errors*, but is not required to restate the comparative financial data for prior periods.	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 2025

☐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 payable is the difference after deducting allowable input tax for the period.	13%、9%、6%、3%
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.	15.00%
Gansu CTI Certification Co., Ltd.	15.00%
Guangdong CTI Forensic Identification Center	20.00%
Guangdong Neway Quality Technology Service Co., Ltd.	20.00%
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%

How-To Technology (Shanghai) Co., Ltd.	20.00%
How-To Enterprise Management Consulting (Shanghai) Co., Ltd.	20.00%
Hebei CTI Testing Services Co., Ltd.	20.00%
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.	20.00%
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%
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 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 Aikang Biotechnology 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 Commodity Inspection Co., Ltd.	20.00%
Shenzhen CTI Medical Testing Laboratory	20.00%
Shenzhen CTI Pest Management Co., Ltd.	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.	20.00%
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.	20.00%
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%
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%
Hainan CTI Technical Service Co., Ltd.	20.00%
Jiangsu Honghai Vehicle Testing Co., Ltd.	20.00%
ALS Chemex Guangzhou Co., Ltd.	20.00%
Dongguan CTI Testing and Certification Co., Ltd.	15.00%
Huan’an Biological Technology Service Co., Ltd.	20.00%
Shenzhen Openview Information Consulting Co., Ltd.	20.00%
Shenzhen Openview Technology Service Co., Ltd.	20.00%
Guangxi Hechi Pinsheng Biotechnology Co., Ltd.	20.00%
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%
Shenzhen CTI Yunjian Construction Technology Co., Ltd.	20.00%
Centre Testing International (Holdings) Pte Ltd.	17.00%
GRAND VANTAGE GLOBAL VERIFICATION LIMITED	20.00%
VIRCON LIMITED	16.50%
Centre Testing International (Japan) Co., Ltd	30.00%
CENTRE TESTING INTERNATIONAL (VIETNAM) LIMITED LIABILITY COMPANY	20.00%
Global Future Investment Limited	0.00%
Safety SA Topco (Pty) Ltd	27.00%
Safety SA Holdco (Pty) Ltd	27.00%
Safety SA Subco (Pty) Ltd	27.00%
Nosa Logistics (Pty) Ltd	27.00%
Aspirata Auditing Testing and Certification (Pty) Ltd	27.00%
World of Ethics (Pty) Ltd	27.00%
Ethical Excellence (Pty) Ltd	27.00%
Ethikos Academy (Pty) Ltd	27.00%
Quality and Safety Risk Professional Services International (Pty) Ltd	27.00%
Vetlab Limited	30.00%
Safety SA Solutions (Pty) Ltd	27.00%
Nosa (Pty) Ltd	27.00%
Nosa Auditing and Inspection Services (Pty) Ltd	27.00%
National Quality Assurance (Pty) Ltd	27.00%
Safety Middle East Holdco Ltd	9.00%
NAIAS SCIENTIFIC - ANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME	22.00%
OPENVIEW SERVICE LIMITED	16.50%
OPENVIEW SERVICE VN JOINT STOCK COMPANY	20.00%
National Occupational Safety Association (Namibia) (Pty) Ltd	27.00%
Laboratoire MIDAC	30.00%
Envirometrics Technical Consultants S.A.	22.00%
Emicert Audit Verification and Certification Services Ltd	17.00%
S.A.S.EKOMETRITIKI LIMITED	12.50%
World Of Ethics (Pty) Ltd	27.00%
Ethical Excellence (Pty) Ltd	27.00%
Ethikos Academy (Pty) Ltd	27.00%
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 GR202544205719, with a validity of three years, issued on December 25, 2025. 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, 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 Service, 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 GR202531005977, with a validity of three years, issued on December 25, 2025. 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 Service, State Taxation Administration. The certificate number is GR202534004981, with a validity of three years, issued on December 8, 2025. 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 Service, State Taxation Administration. The certificate number is GR202551002073, with a validity of three years, issued on December 8, 2025. 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 Service, 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 Service, 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 GR202541001997, with a validity of three years, issued on November 4, 2025. 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 GR202521200154, with a validity of three years, issued on November 18, 2025. 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 November 22, 2023. Henan CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

23. 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 GR202545000729, with a validity of three years, issued on December 8, 2025. Guangxi CTI Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

24. 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 Service, 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.

25. 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.

26. 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 Department of Finance of Hubei Province, and the Hubei Provincial Tax Service, 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.

27. 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.

28. 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, October 16, 2023. Chongqing CTI Testing Technology Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

29. 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.

30. 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 Service, 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.

31. 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 Science and Technology, the Department of Finance of Anhui Province, and the Anhui Provincial Tax Service, 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.

32. 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 Service, 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.

33. 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.

34. 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.

35. 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.

36. Fuzhou CTI Pinbiao Testing Co., Ltd.

Fuzhou CTI Pinbiao Testing Co., Ltd. has been recognized as a high-tech enterprise by the Fujian Provincial Department of Science and Technology, the Department of Finance of Fujian Province, and the Fujian Provincial Tax Service, State Taxation Administration. The certificate number is GR202535000232, with a validity of three years, issued on December 8, 2025. Fuzhou CTI Pinbiao Testing Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

37. Dongguan CTI Testing and Certification Co., Ltd.

Dongguan CTI Testing and Certification 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 Service, State Taxation Administration. The certificate number is GR202544006944, with a validity of three years, issued on December 19, 2025. Dongguan CTI Testing and Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

38. Gansu CTI Certification Co., Ltd.

Gansu CTI Certification Co., Ltd. has been recognized as a high-tech enterprise by the Gansu Provincial Department of Science and Technology, the Department of Finance of Gansu Province, and the Gansu Provincial Tax Service, State Taxation Administration. The certificate number is GR202562000096, with a validity of three years, issued on November 11, 2025. Gansu CTI Certification Co., Ltd. pays corporate income tax at a reduced rate of 15% for the current year.

39. 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 shall 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.

40. Tax incentives for SMEs

According to the Ministry of Finance and the State Taxation Administration’s *Announcement on Income Tax Incentives for SMEs and Individual Industrial and Commercial Households* (C.S. [2023] No. 6), the portion of the annual taxable income of SMEs 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 SMEs* (C.S. [2022] No. 13), the portion of annual taxable income exceeding 1 million CNY but not exceeding 3 million CNY for SMEs 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 SMEs and Individual Industrial and Commercial Households* (C.S. [2023] No. 12) extends the reduced income tax rate for SMEs 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 SMEs.

3. Others

VII. Notes to the Consolidated Financial Statements

1. Cash and cash equivalents

Unit: CNY

Items	Closing balance	Opening balance
Cash on hand	96,209.19	132,174.71

Cash at bank	1,239,777,688.28	843,382,895.14
Other cash and cash equivalents	35,608,360.76	39,212,509.37
Total	1,275,482,258.23	882,727,579.22
Including: Total amount held abroad	262,403,160.03	287,504,098.35

Other Notes:

Details of restricted cash and cash equivalents are as follows:

Items	Closing balance	Opening balance
Bid bond	240,000.00	280,000.00
Performance bond	21,662,498.84	22,777,261.48
Prepayment guarantee	6,537,276.40	5,038,205.00
Quality bond	688,509.80	
Others	24,618,682.44	3,998,316.94
Total	53,746,967.48	32,093,783.42

2. Trading financial assets

Unit: CNY

Items	Closing balance	Opening balance
Financial assets measured at fair value through profit or loss.	102,549,436.04	443,026,438.36
Including:		
Bank financial products	101,400,467.04	443,026,438.36
Others	1,148,969.00	
Including:		
Total	102,549,436.04	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	31,974,924.52	19,165,804.60
Commercial acceptance notes	2,534,456.42	4,897,181.99
Total	34,509,380.94	24,062,986.59

(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	36,098,43	100.00%	1,589,052.	4.40%	34,509,38	27,270,21	100.00%	3,207,226.	11.76%	24,062,98

receivable notes with bad debt provision on a group basis	3.49		55		0.94	3.29		70		6.59
Including:										
Banker's acceptance notes	33,260,328.12	92.14%	1,285,403.60	3.86%	31,974,924.52	19,937,578.70	73.11%	771,774.10	3.87%	19,165,804.60
Commercial bills portfolio	2,838,105.37	7.86%	303,648.95	10.70%	2,534,456.42	7,332,634.59	26.89%	2,435,452.60	33.21%	4,897,181.99
Total	36,098,433.49	100.00%	1,589,052.55	4.40%	34,509,380.94	27,270,213.29	100.00%	3,207,226.70	11.76%	24,062,986.59

Group-based bad debt provision: 1,589,052.55

Unit: CNY

Name	Closing balance		
	Book balance	Provision for bad debts	Proportion
Banker's acceptance notes	33,260,328.12	1,285,403.60	3.86%
Commercial bills portfolio	2,838,105.37	303,648.95	10.70%
Total	36,098,433.49	1,589,052.55	

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

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, 2025	3,207,226.70			3,207,226.70
Balance on January 1, 2025 in this period				
Provision for the current period	513,629.50			513,629.50
Reversal in the current period	725,809.10			725,809.10
Other changes	−1,405,994.55			−1,405,994.55
Balance on December 31, 2025	1,589,052.55			1,589,052.55

Basis for each stage division and provisioning ratios for bad debt allowance

Explanation of significant changes in the carrying amount of notes receivable for which the loss allowance changed during the period:

(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	3,207,226.70	513,629.50	725,809.10		−1,405,994.55	1,589,052.55
Total	3,207,226.70	513,629.50	725,809.10		−1,405,994.55	1,589,052.55

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	51,678,964.86	
Commercial acceptance notes	163,080.00	
Total	51,842,044.86	

(6) Actual write-offs of accounts receivable notes during the current period: None

5. Accounts receivable

(1) Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	1,909,994,249.33	1,815,255,392.03
1 to 2 years	269,977,502.86	249,244,506.39
2 to 3 years	110,208,129.35	141,129,756.54
Over 3 years	85,042,654.01	70,937,204.81
3 to 4 years	45,618,506.92	37,661,143.62
4 to 5 years	17,992,378.46	20,485,508.05
Over 5 years	21,431,768.63	12,790,553.14
Total	2,375,222,535.55	2,276,566,859.77

(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	15,236,742.52	0.64%	14,673,387.35	96.30%	563,355.17	6,819,764.76	0.30%	6,689,914.67	98.10%	129,850.09

Including:										
Group-based bad debt provision for accounts receivable	2,359,985,793.03	99.36%	291,433,632.02	12.35%	2,068,552,161.01	2,269,747,095.01	99.70%	289,668,868.59	12.76%	1,980,078,226.42
Including:										
Aging portfolio	2,359,985,793.03	99.36%	291,433,632.02	12.35%	2,068,552,161.01	2,269,747,095.01	99.70%	289,668,868.59	12.76%	1,980,078,226.42
Total	2,375,222,535.55	100.00%	306,107,019.37	12.89%	2,069,115,516.18	2,276,566,859.77	100.00%	296,358,783.26	13.02%	1,980,208,076.51

Provision for doubtful accounts on an individual basis: 14,673,387.35

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) Automotive 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 receivable with a book balance not exceeding CNY 1 million	5,197,624.76	5,067,774.67	13,614,602.52	13,051,247.35	95.86%	Expected to be uncollectible
Total	6,819,764.76	6,689,914.67	15,236,742.52	14,673,387.35		

Group-based bad debt provision: 291,433,632.02

Unit: CNY

Name	Closing balance		
	Book balance	Provision for bad debts	Proportion
Within 1 year	1,909,550,960.36	92,733,830.04	4.86%
1–2 years	265,399,374.45	68,817,319.49	25.93%
2–3 years	108,629,816.37	53,491,665.11	49.24%
Over 3 years	76,405,641.85	76,390,817.38	99.98%
Total	2,359,985,793.03	291,433,632.02	

Explanation for basis of group determination: None

If bad debt provisions for accounts receivable are calculated using the general expected credit loss model: None

☑Applicable ☐Not applicable

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, 2025	289,668,868.59		6,689,914.67	296,358,783.26
Balance on January 1, 2025 in this period				

Provision for the current period	12,597,952.67		11,085,109.08	23,683,061.75
Reversal in the current period			535,733.49	535,733.49
Write off in the current period	12,913,388.14		2,565,902.91	15,479,291.05
Other changes	2,080,198.90			2,080,198.90
Balance on December 31, 2025	291,433,632.02		14,673,387.35	306,107,019.37

Basis for each stage division and provisioning ratios for bad debt allowance

Explanation of significant changes in the carrying amount of accounts receivable for which the loss allowance changed during the period: None

(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	6,689,914.67	11,085,109.08	535,733.49	2,565,902.91		14,673,387.35
Group-based bad debt provision	289,668,868.59	12,597,952.67		12,913,388.14	2,080,198.90	291,433,632.02
Including: Aging portfolio	289,668,868.59	12,597,952.67		12,913,388.14	2,080,198.90	291,433,632.02
Total	296,358,783.26	23,683,061.75	535,733.49	15,479,291.05	2,080,198.90	306,107,019.37

Significant amount of bad debt provisions recovered or reversed during the current period: None

(4) Actual write-offs of accounts receivable during the current period

Unit: CNY

Items	Write-off amounts
Accounts receivable actually written off	15,479,291.05

Significant write-offs of accounts receivable include: None

(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	22,547,132.56		22,547,132.56	0.83%	419,566.96
Second place	12,870,000.00		12,870,000.00	0.47%	2,466,000.00
Third place	11,801,541.99		11,801,541.99	0.43%	5,599,927.10
Fourth place	11,736,204.04		11,736,204.04	0.43%	
Fifth place	5,688,539.00	5,028,020.52	10,716,559.52	0.39%	2,599,755.22
Total	64,643,417.59	5,028,020.52	69,671,438.11	2.55%	11,085,249.28

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	350,850,006.77	82,458,842.95	268,391,163.82	297,658,762.50	39,771,366.26	257,887,396.24
Total	350,850,006.77	82,458,842.95	268,391,163.82	297,658,762.50	39,771,366.26	257,887,396.24

(2) Significant changes in book value and reasons during the reporting period

Unit: CNY

Items	Amount of change	Reason for change
Completed but unsettled	10,503,767.58	Completed but unsettled item added
Total	10,503,767.58	——

(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	350,850,006.77	100.00%	82,458,842.95	23.50%	268,391,163.82	297,658,762.50	100.00%	39,771,366.26	13.36%	257,887,396.24
Including:										
Aging portfolio	350,850,006.77	100.00%	82,458,842.95	23.50%	268,391,163.82	297,658,762.50	100.00%	39,771,366.26	13.36%	257,887,396.24
Total	350,850,006.77	100.00%	82,458,842.95	23.50%	268,391,163.82	297,658,762.50	100.00%	39,771,366.26	13.36%	257,887,396.24

Group-based bad debt provision: 82,458,842.95

Unit: CNY

Name	Closing balance		
	Book balance	Provision for bad debts	Proportion
Within 1 year	218,666,669.40	10,747,603.06	4.92%
1–2 years	46,675,992.20	6,951,798.87	14.89%
2–3 years	33,292,357.03	13,316,942.81	40.00%
Over 3 years	52,214,988.14	51,442,498.21	98.52%
Total	350,850,006.77	82,458,842.95	

Explanation for basis of group determination:

Provision for bad debts recorded according to the expected credit loss general model

☑Applicable ☐Not applicable

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	Expected credit losses over the entire existence period (realized credit	

		impairment)	impairment)	
Balance on January 1, 2025	39,771,366.26			39,771,366.26
Balance on January 1, 2025 in this period				
Provision for the current period	42,755,577.18			42,755,577.18
Other changes	−68,100.49			−68,100.49
Balance on December 31, 2025	82,458,842.95			82,458,842.95

Basis for each stage division and provisioning ratios for bad debt allowance

Explanation of significant changes in the carrying amount of contract assets for which the loss allowance changed during the period: None

(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	42,755,577.18			Provision for bad debts calculated based on the age of accounts receivable at the end of the period
Total	42,755,577.18			——

Significant amount of bad debt provisions recovered or reversed during the current period: None

(5) Actual write-offs of contract assets during the current period: None

7. Receivables financing: None

8. Other receivables

Unit: CNY

Items	Closing balance	Opening balance
Other receivables	84,439,271.51	103,247,564.07
Total	84,439,271.51	103,247,564.07

(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	65,869,558.93	59,420,251.90
Receivables on behalf of third parties	13,426,513.42	13,358,951.97
Others	6,648,134.69	33,981,647.46
Total	85,944,207.04	106,760,851.33

2) Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	43,699,439.56	68,123,034.35
1 to 2 years	13,048,564.21	11,287,199.70
2 to 3 years	7,191,319.33	6,494,244.86
Over 3 years	22,004,883.94	20,856,372.42
3 to 4 years	3,973,148.67	5,622,460.60
4 to 5 years	3,080,808.16	6,219,385.55
Over 5 years	14,950,927.11	9,014,526.27
Total	85,944,207.04	106,760,851.33

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	799,933.22	0.93%	799,933.22	100.00%		201,194.26	0.19%	201,194.26	100.00%	
Including:										
Group-based bad debt provision	85,144,273.82	99.07%	705,002.31	0.83%	84,439,271.51	106,559,657.07	99.81%	3,312,093.00	3.11%	103,247,564.07
Including:										
Deposits, security deposits, and others	77,637,510.95	90.34%	127,500.00	0.16%	77,510,010.95	59,340,355.90	55.58%	1,446,265.23	2.44%	57,894,090.67
Aging portfolio	7,506,762.87	8.73%	577,502.31	7.69%	6,929,260.56	47,219,301.17	44.23%	1,865,827.77	3.95%	45,353,473.40
Total	85,944,207.04	100.00%	1,504,935.53	1.75%	84,439,271.51	106,760,851.33	100.00%	3,513,287.26	3.29%	103,247,564.07

Provision for doubtful accounts on an individual basis: 799,933.22

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	201,194.26	201,194.26	799,933.22	799,933.22	100.00%	Expected to be uncollectible
Total	201,194.26	201,194.26	799,933.22	799,933.22		

Group-based bad debt provision: 705,002.31

Unit: CNY

Name	Closing balance		
	Book balance	Provision for bad debts	Proportion
Deposits, security deposits, and others	77,637,510.95	127,500.00	0.16%
Aging portfolio	7,506,762.87	577,502.31	7.69%
Total	85,144,273.82	705,002.31	

Explanation for basis of group determination: None

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, 2025	3,312,093.00		201,194.26	3,513,287.26
Balance on January 1, 2025 in this period				
Provision for the current period			609,834.96	609,834.96
Reversal in the current period	2,597,800.53			2,597,800.53
Write off in the current period	18,500.00		11,096.00	29,596.00
Other changes	9,209.84			9,209.84
Balance on December 31, 2025	705,002.31		799,933.22	1,504,935.53

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	201,194.26	609,834.96		11,096.00		799,933.22
Group-based bad debt provision Determining expected credit losses Other receivables	3,312,093.00		2,597,800.53	18,500.00	9,209.84	705,002.31
Total	3,513,287.26	609,834.96	2,597,800.53	29,596.00	9,209.84	1,504,935.53

Significant amount of bad debt provisions reversed or recovered during the current period: None

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	29,596.00

Significant write-offs of other accounts receivable include: None

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
Shenzhen Dingxin Enterprise Consulting Management Co., Ltd.	Deposits and guarantees	2,039,648.00	Within 1 year, over 3 years	2.37%	
Shanghai Haide Control System Co., Ltd.	Deposits and guarantees	1,766,217.85	2–3 years, more than 3 years	2.06%	
CHN Energy International Engineering Consulting Co., Ltd.	Deposits and guarantees	1,597,819.00	Within 1 year	1.86%	
Yunnan Provincial Administration for Market Regulation	Deposits and guarantees	1,510,539.50	Within 1 year, 1–2 years	1.76%	
Shenzhen Taohuayuan Technology Industry Operation Co., Ltd.	Deposits and guarantees	1,471,035.00	1–2 years, 2–3 years	1.71%	
Total		8,385,259.35		9.76%	

7) Other receivables presented due to centralized management of funds: None

9. Prepayments

(1) Prepayments listed by aging

Unit: CNY

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	60,883,370.42	88.53%	24,304,290.05	74.91%
1 to 2 years	5,111,750.35	7.43%	4,691,496.94	14.46%
2 to 3 years	1,055,440.91	1.53%	634,309.09	1.96%
Over 3 years	1,723,862.03	2.51%	2,811,562.98	8.67%
Total	68,774,423.71		32,441,659.06	

Explanation for the significant prepayments over 1 year old that have not been settled in a timely manner: None

(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
First place	21,600,000.00	31.41	2025	Business not finished

Second place	1,161,870.00	1.69	2025	Business not finished
Third place	1,000,000.00	1.45	2020	Business not finished
Fourth place	931,521.00	1.35	2025	Business not finished
Fifth place	860,000.00	1.25	2025	Business not finished
Total	25,553,391.00	37.15		

Other Notes: None

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	103,165,843.39		103,165,843.39	60,181,202.64		60,181,202.64
Goods in stock	8,276,492.06		8,276,492.06	21,039,043.81		21,039,043.81
Contract performance costs	12,303,954.15		12,303,954.15	17,306,256.08		17,306,256.08
Goods shipped	2,083,330.33		2,083,330.33	2,041,452.14		2,041,452.14
Total	125,829,619.93		125,829,619.93	100,567,954.67		100,567,954.67

(2) Data resources recognized as inventory: None

(3) Inventory impairment provisions and provisions for impairment of contract fulfillment costs: None

(4) Explanation for the capitalized amount of borrowing costs included in the ending balance of inventory: None

(5) Explanation for the amortization amount of contract fulfillment costs for the current period: None

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	15,361,963.50	4,282,099.71
VAT deductible	86,214,317.11	75,279,080.68
Financial products	293,068,701.54	322,803,987.86
Others	1,829,503.25	429,969.31
Total	396,474,485.40	402,795,137.56

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.	9,892,331.83				580,383.61						10,472,715.44	
Shenzhen Huacheng Zhihong Professional Technology Partnership (Limited Partnership)	1,527,371.41				0.00						1,527,371.41	
Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd.	184,350,895.32				34,691,510.78			13,000,000.00			206,042,406.10	
Shenzhen Dace Junrui Technical Service Partners	3,044.92				6,992.40						10,037.32	

hip (Limited Partnership)												
Nanjing CTI Pharmaceutical Technology Service Co., Ltd.	1,110,642.04				0.00						1,110,642.04	
Beijing Guoxin Tianyuan Quality Evaluation Certification Co., Ltd.	15,998,876.00				434,165.74			2,000,000.00			14,433,041.74	
Shanghai Fushenlan Software Co., Ltd.	70,872,096.09				1,041,522.15						71,913,618.24	
Beijing Zhuoshi Network Security Technology Co., Ltd.	78,664,997.70				13,766,461.49			5,506,582.20			86,924,876.99	
Shenzhen Huatou Yichuang No. 1 Enterprise Management Partnership (Limited Partnership)	45,036.22				−0.19						45,036.03	
Shenzhen Huatou Yichuang No. 2 Enterprise Management Partnership (Limited Partnership)	44,807.66				−1.50						44,806.16	

Jiangxi Microtek Testing Technology Co., Ltd.	2,262,828.47				183,992.32						2,446,820.79	
EMISERT B LTD			1,679.96		29,098.76						30,778.72	
Subtotal	364,772,927.66		1,679.96		50,734,125.56			20,506,582.20			395,002,150.98	
Total	364,772,927.66		1,679.96		50,734,125.56			20,506,582.20			395,002,150.98	

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

19. Other non-current financial assets

Unit: CNY

Items	Closing balance	Opening balance
Investments in equity instruments	10,589,433.91	15,486,543.73
Total	10,589,433.91	15,486,543.73

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	37,439,947.84			37,439,947.84
2. Increase in the current period				
(1) Acquisitions from external sources				
(2) Transfers from inventory/fixed assets/construction in progress				
(3) Increase due to business combinations				
3. Decrease in the current period				
(1) Disposals				
(2) Other transfers out				
4. Closing balance	37,439,947.84			37,439,947.84

II. Accumulated depreciation and amortization				
1. Opening balance	6,790,622.85			6,790,622.85
2. Increase in the current period	745,130.01			745,130.01
(1) Provision or amortization	745,130.01			745,130.01
3. Decrease in the current period				
(1) Disposals				
(2) Other transfers out				
4. Closing balance	7,535,752.86			7,535,752.86
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	29,904,194.98			29,904,194.98
2. Opening book value	30,649,324.99			30,649,324.99

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: None

(4) Investment properties without obtained property rights certificates: None

21. Fixed assets

Unit: CNY

Items	Closing balance	Opening balance
Fixed assets	2,754,066,719.43	2,646,225,977.26
Total	2,754,066,719.43	2,646,225,977.26

(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	1,539,459,305.59	151,333,293.28	3,372,588,912.77	108,634,154.92	33,547,499.69	5,205,563,166.25
2. Increase in the current period	70,039,894.04	2,694,020.58	436,425,348.22	22,862,557.58	2,719,051.28	534,740,871.70
(1) Acquisitions	28,546,016.58		378,666,227. 47	11,156,692.02	1,982,628.27	420,351,564. 34
(2) Transfers from construction in progress	40,380,101.59	2,694,020.58				43,074,122.17
(3) Increase due to business combinations	439,470.99		44,173,999.06	11,329,354.51	720,637.02	56,663,461.58
(2) Exchange rate fluctuations	674,304.88		8,210,719.57	376,511.05	15,785.99	9,277,321.49
(5) Other additions			5,374,402.12			5,374,402.12
3. Decrease in the current period	388,583.14	64,220.17	64,868,894.20	5,513,516.78	3,440,297.78	74,275,512.07
(1) Disposals or scrapings	388,583.14	64,220.17	54,734,629.16	5,224,327.46	3,440,297.78	63,852,057.71
(2) Decrease due to business combinations			10,134,265.04	289,189.32		10,423,454.36
4. Closing balance	1,609,110,616.49	153,963,093.69	3,744,145,366.79	125,983,195.72	32,826,253.19	5,666,028,525.88
II. Accumulated depreciation						
1. Opening 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
2. Increase in the current period	35,718,919.24	8,896,570.62	348,895,600.95	18,544,735.51	2,713,144.42	414,768,970.74
(1) Provision	34,770,124.26	8,896,570.62	308,383,423.38	11,724,130.51	2,090,624.80	365,864,873.57
(2) Increase due to business combinations	439,464.66		31,069,966.82	6,513,456.15	599,716.41	38,622,604.04
(2) Exchange rate fluctuations	509,330.32		5,502,106.42	307,148.85	22,803.21	6,341,388.80

(5) Other additions			3,940,104.33			3,940,104.33
3. Decrease in the current period	70,092.40	61,009.16	53,791,426.95	5,049,179.88	3,172,644.89	62,144,353.28
(1) Disposals or scrapings	70,092.40	61,009.16	49,230,580.49	4,839,819.16	3,172,644.89	57,374,146.10
(2) Decrease due to business combinations			4,560,846.46	209,360.72		4,770,207.18
4. Closing balance	182,574,557.15	54,065,158.24	2,562,815,661.72	86,053,371.08	26,453,058.26	2,911,961,806.45
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 book value	1,426,536,059.34	99,897,935.45	1,181,329,705.07	39,929,824.64	6,373,194.93	2,754,066,719.43
2. Opening book value	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

(2) Temporary idle fixed assets: None

(3) Fixed assets leased out through operating leases: None

(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	23,142,909.75	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	184,906,821.81	Currently in process
Total	208,049,731.56	

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	299,144,593.55	102,140,783.53
Total	299,144,593.55	102,140,783.53

(1) Construction in progress

Unit: CNY

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Equipment Installation	83,515,527.96		83,515,527.96	15,945,625.69		15,945,625.69
Software Installation	3,275,001.60		3,275,001.60	5,177,140.36		5,177,140.36
Information System Construction (Phase 2)	347,547.17		347,547.17	302,264.15		302,264.15
Office and Laboratory Renovation	17,337,033.48		17,337,033.48	12,931,951.03		12,931,951.03
Hangzhou Base	142,028,122.49		142,028,122.49	67,394,049.76		67,394,049.76
Chengdu Base	31,773,609.86		31,773,609.86	389,752.54		389,752.54
Bao’an Comprehensive Testing Service Base	20,867,750.99		20,867,750.99	0.00		0.00
Total	299,144,593.55		299,144,593.55	102,140,783.53		102,140,783.53

(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	67,394,049.76	74,634,072.73			142,028,122.49		Note 1				Others
Chengdu Base	124,536,493.29	389,752.54	31,383,857.32			31,773,609.86		Note 1				Others
Bao’an Comprehensive Testing Service Base	158,711,350.00	0.00	20,867,750.99			20,867,750.99		Note 1				Others
Total	500,166,453.29	67,783,802.30	126,885,681.04			194,669,483.34						

(3) Provision for impairment of construction in progress this period: None

Note 1: Progress of significant construction in progress projects as follows

<table>
<tr><th>Project name</th><th>Budget amount in CNY 10,000)</th><th>Investment as a percentage of budget (%)</th><th>Project progress (%)</th><th>Accumulated amount of capitalized interest</th><th>Including: Capitalized interest amount this period</th><th>Capitalization rate this period (%)</th><th>Source of funds</th></tr>
<tr><td>Hangzhou Base - infrastructure construction</td><td rowspan="2">21,691.86</td><td rowspan="2">65.48</td><td>99.00</td><td></td><td></td><td></td><td>Private capital</td></tr>
<tr><td>Hangzhou Base - renovation</td><td>22.70</td><td></td><td></td><td></td><td>Private capital</td></tr>
<tr><td>Chengdu Base - infrastructure construction</td><td>12,453.65</td><td>25.51</td><td>70.00</td><td></td><td></td><td></td><td>Private capital</td></tr>
<tr><td>Bao’an Comprehensive Testing Service Base - infrastructure construction</td><td>15,871.14</td><td>13.15</td><td>20.00</td><td></td><td></td><td></td><td>Private capital</td></tr>
<tr><td>Total</td><td>50,016.65</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

(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	575,148,091.32	8,502,409.95	2,778,555.41	2,082,974.64	189,785.21	588,701,816.53

2. Increase in the current period	139,005,037.16	2,587,434.21	6,980,930.32	1,868.98	0.00	148,575,270.67
(1) Lease	104,436,950.51	1,922,508.38	3,738,752.52			110,098,211.41
(2) Non-controlling interest entity combination	31,304,947.65		2,980,147.55			34,285,095.20
(3) Foreign currency translation differences in financial statements	3,263,139.00	664,925.83	262,030.25	1,868.98		4,191,964.06
3. Decrease in the current period	76,332,567.80	6,399,462.77	88,602.52	2,084,843.62		84,905,476.71
(1) Lease expires	73,530,806.99	1,025,060.65	88,602.52	2,084,843.62		76,729,313.78
(2) Disposal of subsidiaries	2,801,760.81					2,801,760.81
(3) Other decreases		5,374,402.12				5,374,402.12
4. Closing balance	637,820,560.68	4,690,381.39	9,670,883.21		189,785.21	652,371,610.49
II. Accumulated depreciation						
1. Opening balance	264,253,249.22	4,971,425.82	648,887.03	367,806.40	42,854.63	270,284,223.10
2. Increase in the current period	130,038,846.70	1,666,998.46	2,954,495.77	330.02	73,465.16	134,734,136.11
(1) Provision	115,087,967.59	1,305,086.18	2,039,073.15		73,465.16	118,505,592.08
(2) Non-controlling interest entity combination	13,248,583.41		860,731.51			14,109,314.92
(3) Foreign currency translation differences in financial statements	1,702,295.70	361,912.28	54,691.11	330.02		2,119,229.11
3. Decrease in the current period	58,649,338.82	4,951,201.94	49,683.28	368,136.42		64,018,360.46
(1) Disposals						
(2) Lease expires	57,096,362.50	1,011,097.61	49,683.28	368,136.42		58,525,279.81
(3) Disposal of subsidiaries	1,552,976.32					1,552,976.32
(3) Other decreases		3,940,104.33				3,940,104.33
4. Closing balance	335,642,757.10	1,687,222.34	3,553,699.52		116,319.79	340,999,998.75
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	302,177,803.58	3,003,159.05	6,117,183.69		73,465.42	311,371,611.74
2. Opening 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) Impairment testing of right-of-use assets

☐Applicable ☑Not applicable

Other Notes: None

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	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
2. Increase in the current period	12,972,706.58	864,437.71		18,171,593.70	74,777,730.34		13,262,607.79	120,049,076.12
(1) Acquisitions	12,675,881.41			14,041,427.75				26,717,309.16
(2) Internal development							215,761.23	215,761.23
(3) Increase due to business combinations		860,954.47		3,774,591.24	72,866,475.00		12,714,386.99	90,216,407.70
(3) Increase due to other reasons	296,825.17	3,483.24		355,574.71	1,911,255.34		332,459.57	2,899,598.03
3. Decrease in the current period	86,951.31	6,286.32		15,415,989.44	68,363.79			15,577,590.86
(1) Disposals	86,951.31	6,286.32		15,415,989.44	68,363.79			15,577,590.86

4. Closing balance	196,143,641.98	2,943,126.24		88,237,826.49	74,976,422.23	11,769,793.00	15,112,607.79	389,183,417.73
II. Accumulated amortization								
1. Opening balance	27,939,194.09	1,120,192.94		69,357,515.74	266,756.82	8,511.11		98,692,170.70
2. Increase in the current period	4,359,123.32	1,218,776.11		10,355,747.16	802,653.64	154,336.44	2,695,760.45	19,586,397.12
(1) Provision	4,323,148.17	364,225.76		7,233,300.71	796,733.72	154,336.44	126,033.28	12,997,778.08
(2) Increase due to business combinations		851,188.73		2,860,594.40			2,504,245.50	6,216,028.63
(3) Increase due to other reasons	35,975.15	3,361.62		261,852.05	5,919.92		65,481.67	372,590.41
3. Decrease in the current period	86,951.31			15,709,512.29	864,798.65			16,661,262.25
(1) Disposals	86,951.31			15,709,512.29	864,798.65			16,661,262.25
4. Closing balance	32,211,366.10	2,338,969.05		64,003,750.61	204,611.81	162,847.55	2,695,760.45	101,617,305.57
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	163,932,275.88	604,157.19		24,234,075.88	74,771,810.42	11,606,945.45	12,416,847.34	287,566,112.16

2. Opening 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

The proportion of intangible assets formed through internal development at the end of the period is 0.06% 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: None

(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 Hua'an Testing Technology Co., Ltd.	76,020,012.18					76,020,012.18
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 Development Zone Jiakang Outpatient Department Co., Ltd.	3,970,287.04					3,970,287.04
Hebei CTI Junrui Testing Technology Co., Ltd.	100.00			100.00		0.00
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
How-To 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.	103,964,824.37					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 GLOBAL VERIFICATION LIMITED	8,121,243.79					8,121,243.79
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 - ANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME	124,921,798.44					124,921,798.44
Greater Asia Pacific Limited	44,243,585.31					44,243,585.31
Jiangsu Honghai Vehicle Testing Co., Ltd.		2,182,843.95				2,182,843.95
ALS Chemex Guangzhou Co., Ltd.		17,623,408.40				17,623,408.40

Huan'an Biological Technology Service Co., Ltd.		4,311,997.13				4,311,997.13
OPENVIEW SERVICE LIMITED		1,757,360.50				1,757,360.50
Shenzhen Openview Information Consulting Co., Ltd.		23,085,082.86				23,085,082.86
Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.		3,286,083.04				3,286,083.04
Safety SA TopCo Proprietary Limited		175,062,233.00				175,062,233.00
Laboratcire MIDAC		6,678,124.43				6,678,124.43
OPENVIEW SERVICE VN JOINT STOCK COMPANY		5,692,242.33				5,692,242.33
Envirometrics Technical Consultants S.A.		35,644,085.27				35,644,085.27
Emicert Audit Verification and Certification Services Ltd		20,237,021.29				20,237,021.29
Total	1,177,323,894.74	295,560,482.20		100.00		1,472,884,276.94

(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 INTERNATIONALLTD	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	315,716.63					315,716.63

Testing Technology Co., Ltd.						
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		0.00
Fujian Shangwei Testing Co., Ltd.	4,718,911.79					4,718,911.79
imat-uve gmbh	13,235,123.33	10,533,510.40				23,768,633.73
VIRCON LIMITED		11,568,294.55				11,568,294.55
Total	98,651,947.19	22,101,804.95		100.00		120,753,652.14

(3) Relevant information of assets group or grouping containing goodwill

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. The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 266.673 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 How-To Enterprise Management Consulting (Shanghai) Co., Ltd. (hereinafter referred to as "How-To Consulting") for a transaction price of CNY 19.2 million in cash. After the acquisition, the Company cumulatively held 60.00% equity of How-To 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 How-To 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 German Imat.

(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 103.9648 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 22.727 million, recognized as goodwill related to CTI Fengxue.

(28) In March 2024, the Company acquired 55.00% equity of VIRCON LIMITED (hereinafter referred to as "VIRCON") for a transaction price of CNY 140.4130 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 111.7681 million, recognized as goodwill related to 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"). 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- ANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME (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.

(34) In January 2025, the Company paid CNY 9.00 million in cash to acquire 70.00% of the equity interest in Jiangsu Honghai Vehicle Testing Co., Ltd. (hereinafter referred to as "Changzhou Honghai"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 2.1828 million, recognized as goodwill related to Changzhou Honghai.

(35) In May 2025, the Company paid CNY 33.9746 million in cash to acquire 100.00% of the equity interest in ALS Chemex Guangzhou Co., Ltd. (hereinafter referred to as "Guangzhou ALS"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 17.6234 million, recognized as goodwill related to Guangzhou ALS.

(36) In July 2025, Shanghai CTI Pinchuang Medical Testing Co., Ltd. paid CNY 10.50 million in cash to acquire 70.00% of the equity interest in Huan'an Biological Technology Service Co., Ltd. (hereinafter referred to as "Huan'an Biological Technology"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 4.3120 million, recognized as goodwill related to Huan'an Biological Technology.

(37) In July 2025, CTI Holdings (Hong Kong) Co., Ltd. paid CNY 2.3379 million in cash to acquire 65.00% of the equity interest in OPENVIEW SERVICE LIMITED (hereinafter referred to as "Hong Kong Openview"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 1.7574 million, recognized as goodwill related to Hong Kong Openview.

(38) In July 2025, the Company paid CNY 23.1161 million in cash to acquire 65.00% of the equity interest in Shenzhen Openview Information Consulting Co., Ltd. (hereinafter referred to as "Shenzhen Openview"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 23.0851 million, recognized as goodwill related to Shenzhen Openview.

(39) In September 2025, the Company paid CNY 15.4171 million in cash to acquire 100.00% of the equity interest in Nosa Enterprise Consultancy (Shenzhen) Co., Ltd. (hereinafter referred to as "Shenzhen Nosa"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 3.2861 million, recognized as goodwill related to Shenzhen Nosa.

(40) In September 2025, CTI Holdings (Hong Kong) Co., Ltd. paid CNY 222.2176 million in cash to acquire 100.00% of the equity interest in Safety SA TopCo Proprietary Limited (hereinafter referred to as "SAFETY SA"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 175.0622 million, recognized as goodwill related to SAFETY SA.

(41) In September 2025, Centre Testing International (Holdings) Pte Ltd. paid CNY 6.3479 million in cash to acquire 100.00% of the equity interest in Laboratcire MIDAC (hereinafter referred to as "MIDAC France"). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 6.6781 million, recognized as goodwill related to MIDAC France.

(42) In October 2025, CTI Holdings (Hong Kong) Co., Ltd. paid CNY 6.7451 million in cash to acquire 60.00% of the equity interest in OPENVIEW SERVICE VN JOINT STOCK COMPANY (hereinafter referred to as “Openview Vietnam”). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 5.6922 million, recognized as goodwill related to Openview Vietnam.

(43) In November 2025, Centre Testing International (Holdings) Pte Ltd. paid CNY 37.8297 million in cash to acquire 51.00% of the equity interest in Envirometrics Technical Consultants S.A. (hereinafter referred to as “ENV Greece”). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 35.6441 million, recognized as goodwill related to ENV Greece.

(44) In November 2025, Centre Testing International (Holdings) Pte Ltd. paid CNY 23.6497 million in cash to acquire 51.00% of the equity interest in Emicert Audit Verification and Certification Services Ltd (hereinafter referred to as “Emicert Greece”). The excess of the acquisition cost over the fair value of identifiable net assets acquired on a pro rata basis amounted to CNY 20.2370 million, recognized as goodwill related to Emicert Greece.

(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 evaluated the recoverable amount of the asset group related to the goodwill formed by the acquisition of CTI Certification at the end of 2025. 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, 2025, 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 39.1553 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of CTI Certification, was CNY 316.406 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 2026 to 2030, followed by a stable period	0.80%	60.85%	11.88%

(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 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Hangzhou Hua'an 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 128.7645 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Hangzhou Hua'an, was CNY 77.6838 million, resulting in a goodwill impairment of CNY 51.0807 million. The goodwill impairment attributable to the parent company at the consolidated level was CNY 51.0807 million. As at December 31, 2025, 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 period	Average gross profit margin during the forecast period	(Pre-tax) Discount rate
Hangzhou Hua'an	The forecast period is from 2026 to 2030, followed by a stable period	3.59%	26.89%	12.47%

(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 2025. 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, 2025, 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 3.3563 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of POLY NDT (PRIVATE) LIMITED, was CNY 5.8228 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
POLY NDT (PRIVATE) LIMITED	The forecast period is from 2026 to 2030, followed by a stable period	2.24%	45.90%	11.42%

(4) 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 Ningbo Weizhi at the end of 2025. 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, 2025, 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 29.904 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Ningbo Weizhi, was CNY 31.1933 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 2026 to 2030, followed by a stable period	4.22%	61.32%	14.13%

(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 Electronic at the end of 2025. 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, 2025, 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 53.3962 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of CTI Electronics, was CNY 132.2868 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 2026 to 2030, followed by a stable period	−0.48%	56.14%	8.82%

(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 2025. 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 at December 31, 2025, 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 18.2068 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Fujian Shangwei, was CNY 9.5632 million, the goodwill was impaired by CNY 8.6436 million, and the consolidated goodwill attributable to the parent company was impaired by CNY 4.4082 million. As at December 31, 2025, the Company had made impairment provisions of CNY 4.7189 million for the goodwill related to Fujian Shangwei, 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 period	Average gross profit margin during the forecast period	(Pre-tax) Discount rate
Fujian Shangwei	The forecast period is from 2026 to 2030, followed by a stable period	12.46%	29.02%	13.47%

(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 2025. 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, 2025, 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 19.5066 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Sichuan Jianxin's evaluation, was CNY 20.5250 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 2026 to 2030, followed by a stable period	3.53%	39.81%	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 2025. 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, 2025, 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 19.8382 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Zhejiang Yuanjian, was CNY 27.8095 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 2026 to 2030, followed by a stable period	12.06%	50.90%	11.88%

(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 [2026] No. 85 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, 2025, 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 313.9595 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of MARITEC PTE. LTD., was CNY 336.4714 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 2026 to 2030, followed by a stable period	2.13%	48.10%	11.42%

(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 Ecological City, and issued the ZLPZ [2026] No. 72 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, 2025, 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 28.2588 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the base date for Tianjin Eco-city, was CNY 36.5023 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 2026 to 2030, followed by a stable period	20.97%	35.69%	12.18%

(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 How-To Consulting at the end of 2025. 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, 2025, the scope of asset group related to the goodwill formed by the acquisition of How-To 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 68.9052 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of How-To Consulting, was CNY 70.5332 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
How-To Consulting	The forecast period is from 2026 to 2030, followed by a stable period	7.12%	36.36%	13.06%

(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 [2026] No. 70 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 at December 31, 2025, 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 238.0402 million. Based on the income approach valuation, the recoverable amount of the asset group as at December 31, 2025, the valuation date, for Germany-based Imat was CNY 211.6306 million. An impairment loss of CNY 26.4096 million was recognized for the goodwill, and an impairment loss of

CNY 23.7686 million was recognized for the consolidated goodwill attributable to the parent company. As of December 31, 2025, the Company had made impairment provisions of CNY 13.2351 million for the goodwill related to Germany-based Imat, and thus made impairment provisions of CNY 10.5335 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 2026 to 2030, followed by a stable period	9.36%	50.97%	11.86%

(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 2025. 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, 2025, 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 11.9482 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Jilin Anxin, was CNY 22.7905 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 2026 to 2030, followed by a stable period	4.94%	48.64%	13.47%

(14) 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 Nantong at the end of 2025. 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, 2025, 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 29.9551 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of CTI Nantong, was CNY 33.8716 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 2026 to 2030, followed by a stable	26.48%	25.6%	13.47%

	period			

(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 2025. 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, 2025, 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 30.1341 million. Upon evaluation with revenue approach, the recoverable amount of the asset group of Shaanxi Huabang on December 31, 2025, the assessment base date of Shaanxi Huabang, was CNY 32.2762 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 2026 to 2030, followed by a stable period	2.02%	60.09%	10.71%

(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 [2026] 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, 2025, 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 268.0595 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of CTI VESP, was CNY 284.0367 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 2026 to 2030, followed by a stable period	13.98%	17.09%	10.87%

(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 Greece at the end of 2025. 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, 2025, 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 12.2535 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Xipai Technology, was CNY 12.9634 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 2026 to 2030, followed by a stable period	10.82%	13.15%	13.47%

(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 at the end of 2025. 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, 2025, 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 32.3236 million. The recoverable amount of the asset group on December 31, 2025, the assessment base date of Guangzhou Vectoring Pharmatech, was CNY 32.4794 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 2026 to 2030, followed by a stable period	11.73%	48.60%	11.41%

(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 2025. 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, 2025, 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 33.7197 million. After with revenue approach to evaluate, the recoverable amount of the asset group on December 31, 2025, the assessment base date of CTI Neway, was CNY 33.7769 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 2026 to 2030, followed by a stable period	10.42%	49.07%	11.88%

(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 2025. 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, 2025, 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 59.3875 million. After evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of CTI Fengxue's assessment, was CNY 62.2326 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 2026 to 2030, followed by a stable period	6.93%	52.72%	11.88%

(21) 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 VIRCON, and issued the ZLPZ [2026] No. 77 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of 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 231.7132 million. Based on the income approach valuation, the recoverable amount of the asset group as at December 31, 2025, the valuation date, for VIRCON was CNY 210.6799 million. An impairment loss of CNY 21.0333 million was recognized for the goodwill, and an impairment loss of CNY 11.5683 million was recognized for the consolidated goodwill attributable to the parent company. An impairment provision for goodwill of CNY 11.5683 million was recognized in the current 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
VIRCON	The forecast period is from 2026 to 2030, followed by a stable period	14.94%	46.39%	11.00%

(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 2025. 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, 2025, 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 9.8887 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Taiwan GRAND VANTAGE, was CNY 9.9903 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	Average gross	(Pre-tax) Discount rate

		rate during the forecast period	profit margin during the forecast period	
Taiwan GRAND VANTAGE	The forecast period is from 2026 to 2030, followed by a stable period	11.57%	62.14%	13.47%

(23) 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 CI&A at the end of 2025. 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, 2025, 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 11.9745 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of CTI CI&A, was CNY 15.8741 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 2026 to 2030, followed by a stable period	5.12%	28.61%	13.47%

(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 2025. 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, 2025, 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 6.6905 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Hefei Zhongxin, was CNY 6.774 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 2026 to 2030, followed by a stable period	8.84%	29.98%	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 2025. 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, 2025, 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 172.7532 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of NAIAS, was CNY 178.0912 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 2026 to 2030, followed by a stable period	13.35%	50.00%	11.42%

(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 2025. 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, 2025, 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 97.678 million. Upon assessment with the revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Greater Asia Pacific, was CNY 102.2412 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 2026 to 2030, followed by a stable period	7.57%	50.48%	11.88%

(27) 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 Huan'an Biological Technology at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Huan'an Biological 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 overall goodwill was CNY 15.5973 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Huan'an Biological Technology, was CNY 15.9600 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
Huan'an Biological Technology	The forecast period is from 2026 to 2030, followed by a stable period	4.48%	79.78%	13.47%

(28) 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 Changzhou Honghai at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Changzhou Honghai 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 10.9053 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Changzhou Honghai, was CNY 11.5941 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
Changzhou Honghai	The forecast period is from 2026 to 2030, followed by a stable period	642.24%	18.03%	12.40%

(29) 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 Shenzhen Openview at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Shenzhen Openview 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 38.3384 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Shenzhen Openview, was CNY 43.0343 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
Shenzhen Openview	The forecast period is from 2026 to 2030, followed by a stable period	6.16%	41.20%	13.47%

(30) 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 Openview at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Hong Kong Openview 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 4.9723 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Hong Kong Openview, was CNY 5.9881 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
Hong Kong Openview	The forecast period is from 2026 to 2030,	0.23%	6.79%	13.47%

	followed by a stable period			

(31) 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 Openview Vietnam at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Openview Vietnam 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 10.1218 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Openview Vietnam, was CNY 14.0317 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
Openview Vietnam	The forecast period is from 2026 to 2030, followed by a stable period	3.15%	46.98%	13.47%

(32) 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 ALS at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Guangzhou ALS 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 19.6647 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Guangzhou ALS, was CNY 51.4818 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 ALS	The forecast period is from 2026 to 2030, followed by a stable period	5.30%	39.41%	13.47%

(33) 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 Shenzhen Nosa at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Shenzhen Nosa 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 10.8302 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Shenzhen Nosa, was CNY 15.1820 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	Average gross profit	(Pre-tax) Discount rate

		during the forecast period	margin during the forecast period	
Shenzhen Nosa	The forecast period is from 2026 to 2030, followed by a stable period	21.03%	40.11%	14.40%

(34) 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 SAFETY SA at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of SAFETY SA 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 325.6168 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of SAFETY SA, was CNY 401.8730 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
SAFETY SA	The forecast period is from 2026 to 2030, followed by a stable period	14.62%	77.20%	14.68%

(35) 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 Emicert Greece at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of Emicert Greece 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 53.9068 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of Emicert Greece, was CNY 55.3111 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
Emicert Greece	The forecast period is from 2026 to 2030, followed by a stable period	15.82%	46.58%	11.42%

(36) 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 ENV Greece at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of ENV Greece 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 85.9894 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of ENV Greece, was CNY 88.2724 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
ENV Greece	The forecast period is from 2026 to 2030, followed by a stable period	28.64%	47.30%	11.42%

(37) 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 MIDAC France at the end of 2025. 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 at December 31, 2025, the scope of asset group related to the goodwill formed by the acquisition of MIDAC France 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 5.9748 million. Upon evaluation with revenue approach, the recoverable amount of the asset group on December 31, 2025, the assessment base date of MIDAC France, was CNY 6.3654 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
MIDAC France	The forecast period is from 2026 to 2030, followed by a stable period	6.96%	11.11%	13.60%

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	118,721,943.26	42,857,429.69	40,308,436.04	4,729,500.16	116,541,436.75
Others	8,770,767.78	3,354,370.88	3,681,068.25	10,651.90	8,433,418.51
Total	127,492,711.04	46,211,800.57	43,989,504.29	4,740,152.06	124,974,855.26

Other Notes:

29. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets not offset

Unit: CNY

Items	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provisions for assets impairment	366,504,974.15	53,288,465.36	329,002,006.40	46,414,537.01
Deductible losses	775,034,693.79	110,590,464.57	585,608,239.16	79,813,831.40
Deferred income	69,131,421.76	13,785,454.24	72,979,290.97	14,088,351.37
Impact from accounting	36,373,669.85	12,403,787.80	20,953,543.07	7,123,388.29

estimate of fixed assets				
Changes at fair value	2,984,384.55	747,703.82	484,000.00	72,600.00
Provisions	30,000.00	1,500.00	30,000.00	1,500.00
Lease liabilities	374,762,919.09	52,080,285.24	423,776,988.95	60,663,755.73
Others	6,570,368.95	1,757,638.28	1,524,661.65	304,932.33
Total	1,631,392,432.14	244,655,299.31	1,434,358,730.20	208,482,896.13

(2) Deferred tax liabilities not offset

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	3,273,652.18	560,769.03	4,080,390.54	624,868.37
Lump-sum pre-tax deduction for fixed assets	817,261,151.01	121,054,217.34	720,929,140.87	109,165,608.30
Changes at fair value	1,355,796.67	203,369.30	1,382,233.03	207,334.95
Right-of-use assets	360,756,247.03	50,786,174.93	399,317,351.50	58,410,198.84
Others			185,787.15	37,157.43
Total	1,182,646,846.89	172,604,530.60	1,125,894,903.09	168,445,167.89

(3) Deferred tax assets or liabilities presented with offset net amount

Unit: CNY

Items	Closing mutual-offset amount of deferred tax assets and liabilities	Closing balance of offset deferred tax assets or liabilities	Opening mutual-offset amount of deferred tax assets and liabilities	Opening balance of offset deferred tax assets or liabilities
Deferred tax assets		244,655,299.31		208,482,896.13
Deferred tax liabilities		172,604,530.60		168,445,167.89

(4) Details of unrecognized deferred tax assets

Unit: CNY

Items	Closing balance	Opening balance
Deductible temporary differences	25,154,876.25	14,805,189.66
Deductible losses	224,857,407.15	199,733,582.67
Deferred income		605,966.06
Total	250,012,283.40	215,144,738.39

(5) Deductible losses of unrecognized deferred tax assets will be due in the following years

Unit: CNY

Year	Closing amount	Opening amount	Remark
2025		2,835,147.87	
2026	4,002,940.74	155,036.22	
2027	7,713,350.39	658,617.53	
2028	8,785,078.03	7,358,370.12	
2029	18,030,312.35	31,793,226.46	
2030	84,917,419.37	1,700,515.51	
2031	21,703,295.17	14,520,634.66	
2032	20,094,431.60	42,866,728.29	
2033	6,195,198.31	29,763,898.58	

2034	1,617,394.58	47,518,775.50	
2035	24,739,182.70		
No deadline	27,058,803.91	20,562,631.93	
Total	224,857,407.15	199,733,582.67	

Other Notes:

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	6,725,515.13		6,725,515.13	4,607,601.29		4,607,601.29
Prepayment for equipment and projects	62,936,679.27		62,936,679.27	69,953,523.95		69,953,523.95
Government grants for equipment	1,316,382.02		1,316,382.02	1,833,449.39		1,833,449.39
Shanghai public rental housing project	69,221,512.86		69,221,512.86	69,221,512.86		69,221,512.86
Others	2,327,996.15		2,327,996.15	1,662,733.00		1,662,733.00
Total	142,528,085.43		142,528,085.43	147,278,820.49		147,278,820.49

Other Notes:

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	53,746,967.48	53,746,967.48	Restricted guarantees and judicial freezes	Bid bonds, performance bonds, quality assurance deposits, advance payment guarantees, judicial freezes, and others	32,093,783.42	32,093,783.42	Restricted guarantees	Bid bond, performance bond, advance payment bond, quality bond, others
Fixed assets	253,316,047.07	229,575,272.82	Pledge	Collateral for bank borrowings				
Intangible assets	15,868,413.92	11,372,362.73	Pledge	Collateral for bank borrowings				
Total	322,931,428.47	294,694,603.03			32,093,783.42	32,093,783.42		

Other Notes:

32. Short-term loans

(1) Classification of short-term loans

Unit: CNY

Items	Closing balance	Opening balance
Mortgage loan	27,365,076.00	
Credit loan	12,704,024.89	2,000,000.00
Undue interests payable	41,755.64	2,016.65
Total	40,110,856.53	2,002,016.65

Notes on the classification of short-term loans:

(2) Details of overdue and outstanding short-term loans: None

33. Trading financial liabilities

Unit: CNY

Items	Closing balance	Opening balance
Including:		
Financial liabilities designated to measure at fair value through profit or loss.		981,621.78
Including:		
Total		981,621.78

Other Notes: None

34. Derivative financial liabilities: None

35. Notes payable

Unit: CNY

Type	Closing balance	Opening balance
Banker's acceptance notes	6,729,173.46	3,690,516.92
Total	6,729,173.46	3,690,516.92

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: .

36. Accounts payable

(1) Presentation of accounts payable

Unit: CNY

Items	Closing balance	Opening balance
Payment for materials	103,319,994.47	130,511,616.13
Payment for projects	85,425,103.03	48,638,351.80
Payment for equipment	207,201,692.31	135,692,789.10
Service fees	244,117,354.98	260,149,353.22
Others	196,275,345.24	243,426,209.77
Total	836,339,490.03	818,418,320.02

(2) Significant accounts payable aged over one year or overdue: None

(3) Whether there are overdue payments to small and medium-sized enterprises

Whether it is a large enterprise

☐Yes ☑No

37. Other accounts payable

Unit: CNY

Items	Closing balance	Opening balance
Dividends payable	6,668,275.19	631,042.91
Other payables	157,925,673.13	170,162,299.17
Total	164,593,948.32	170,793,342.08

(1) Interests payable: None

(2) Dividends payable

Unit: CNY

Items	Closing balance	Opening balance
Common stock dividends	6,668,275.19	631,042.91
Total	6,668,275.19	631,042.91

Other descriptions, including those for major dividends payable unpaid for more than one year. The reasons for non-payment shall be disclosed: None.

(3) Other payables

1) Other payables presented by the nature of payment

Unit: CNY

Items	Closing balance	Opening balance
Deposits and guarantees	10,456,418.27	10,938,953.35
Suspense receipts	16,520,736.28	34,213,369.58
Equity investments payable	41,593,512.43	30,816,490.13
Others	89,355,006.15	94,193,486.11
Total	157,925,673.13	170,162,299.17

2) Significant other payables aged over one year or overdue: None

38. Advance amount: None

39. Contract liabilities

Unit: CNY

Items	Closing balance	Opening balance
Prepaid service fees	158,371,646.71	124,962,045.36
Advances from clients	1,424,188.77	2,086,166.29
Total	159,795,835.48	127,048,211.65

40. 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	477,883,205.00	2,656,164,103.42	2,568,499,490.94	565,547,817.48
II. Post-employment	5,692,987.01	177,955,021.88	175,495,738.76	8,152,270.13

benefits--defined contribution plan				
3. Dismissal benefits	1,001,125.11	14,142,850.69	8,964,341.32	6,179,634.48
Total	484,577,317.12	2,848,261,975.99	2,752,959,571.02	579,879,722.09

(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	468,382,888.57	2,434,289,472.97	2,345,297,538.91	557,374,822.63
2. Employee welfare fees	773,202.18	36,435,418.99	37,134,469.95	74,151.22
3. Social insurance premium	3,273,181.65	86,654,524.75	86,070,966.49	3,856,739.91
Including: Medical insurance premium	1,895,626.49	67,218,696.00	67,135,107.19	1,979,215.30
Work-related injury insurance premium	57,379.26	3,032,315.84	3,017,114.62	72,580.48
Maternity insurance premium	236.91	2,689,719.75	2,685,078.35	4,878.31
Others	1,319,938.99	13,713,793.16	13,233,666.33	1,800,065.82
4. Housing provident fund	2,812,345.75	82,521,631.79	83,323,818.98	2,010,158.56
5. Trade union funds and employee education funds	2,641,586.85	16,263,054.92	16,672,696.61	2,231,945.16
Total	477,883,205.00	2,656,164,103.42	2,568,499,490.94	565,547,817.48

(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	5,596,885.71	168,745,123.46	166,301,056.90	8,040,952.27
2. Unemployment insurance premiums	96,101.30	4,813,996.42	4,798,779.86	111,317.86
3. Annuity plan contributions		4,395,902.00	4,395,902.00	
Total	5,692,987.01	177,955,021.88	175,495,738.76	8,152,270.13

41. Taxes payable

Unit: CNY

Items	Closing balance	Opening balance
Value-added tax (“VAT”)	27,233,727.17	25,064,379.54
Corporate income tax	46,285,829.45	37,314,935.61
Personal income tax	9,822,195.54	6,691,356.23
Urban maintenance and construction tax	1,248,288.83	1,001,629.75
Property tax	6,032,093.89	5,667,128.02
Educational surcharge	549,910.91	456,196.31

Stamp duty	1,194,682.85	1,000,196.60
Local educational surcharge	366,607.30	303,673.49
Land use tax	317,699.54	293,072.39
Others	162,376.57	837,223.59
Total	93,213,412.05	78,629,791.53

42. Held-for-sale liabilities: None

43. Non-current liabilities due within one year

Unit: CNY

Items	Closing balance	Opening balance
Long-term loans due within one year	1,869,840.95	5,029,213.08
Lease debts due within one year	112,213,802.40	109,616,939.86
Total	114,083,643.35	114,646,152.94

44. Other current liabilities

Unit: CNY

Items	Closing balance	Opening balance
VAT output taxes to be written off (taxes in contract liabilities)	3,114,900.12	3,371,893.02
Total	3,114,900.12	3,371,893.02

45. Long-term loans

(1) Classification of long-term loans

Unit: CNY

Items	Closing balance	Opening balance
Mortgage loan	17,771,005.47	4,606,597.84
Guaranteed loan	4,555,406.81	10,206,431.11
Credit loan	823,549.90	
Including: Long-term loans due within one year	−1,869,840.95	−5,029,213.08
Total	21,280,121.23	9,783,815.87

46. Bonds payable: None

47. Lease liabilities

Unit: CNY

Items	Closing balance	Opening balance
Within 1 year	122,716,061.98	115,217,710.72
1–2 years	96,528,231.98	88,920,513.85
2–3 years	59,288,173.63	65,691,564.94
3–4 years	34,936,114.55	38,064,745.39
4–5 years	28,229,244.54	20,073,351.67
Over 5 years	26,786,551.13	37,794,848.33
Unrecognized financing charges	−34,761,088.69	−25,422,060.37
Lease debts due within one year	−112,213,802.40	−109,616,939.86
Total	221,509,486.72	230,723,734.67

Other Notes: Interest expense on lease liabilities recognized in the current period amounted to CNY 14,528,546.36.

48. Long-term payables: None

49. Long-term salaries payable: None

50. Provisions

Unit: CNY

Items	Closing balance	Opening balance	Causes
Others	30,000.00	30,000.00	
Estimated property taxes and late fees	5,783,102.77	5,023,239.99	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	5,813,102.77	5,053,239.99	

51. Deferred income

Unit: CNY

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Causes
Asset-related government grants	67,390,310.42	854,994.64	15,005,008.77	53,240,296.29	See Table 1 for details
Revenue-related government grants	6,194,946.61	1,242,658.37	1,334,165.69	6,103,439.29	See Table 1 for details
Total	73,585,257.03	2,097,653.01	16,339,174.46	59,343,735.58	

Other Notes:

1. Deferred income related to government grants

Liability items	Opening balance	New subsidy amount for this period	Amount of non-operating income included in current period	Amount of other income included in current period	Amount of offset costs and expenses for the current period	Add: Other changes (Note 2)	Closing balance	Asset related/revenue related
Technology Shares South China Testing Base Project: CNY 15.78 million	13,248,134.20			353,283.60			12,894,850.60	Assets-related
Shenzhen Municipal Development and Reform Commission’s approval for the funding application report for Shenzhen public service platform project of home service robot detection	1,204,117.18			399,038.32			805,078.86	Assets-related

technology: CNY 4 million								
Development of Test Method for the Separation Effect of Mechanical Pollutant Purification Systems	67,349.72						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	1,327,536.09						1,327,536.09	Assets-related
R&D and application of integrated inspection and testing service platform for emerging industries--Topic 5 (3011902)	37,140.63						37,140.63	Revenue-related
Research on key technical standards such as emergency stop devices and two- hand operating devices in 2017	318.16						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			8,662.84			161,337.16	Revenue-related
2020 Bao’an District supporting awards for S&T project (R&D and applications of integrated inspection and testing service platform for	223,269.41			63,938.24			159,331.17	Revenue-related

emerging industries)								
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
Daily management expenses of the site/station construction unit (combining Phases 1/2 in 2021)	238,700.72						238,700.72	Revenue-related
Special funds for agricultural development in 2021	1,159,923.49			291,504.84			868,418.65	Revenue-related
Special funds for agricultural development in 2022	155,069.99			97,939.08			57,130.91	Assets-related
Projects funded by the 2023 green and low carbon support plan	490,298.68			375,000.00			115,298.68	Assets-related
Special subsidies for technological transformation	31,914,577.31			9,810,007.56			22,104,569.75	Assets-related
2021 industrial support funds	24,511.55			24,511.55				Assets-related
2022 hi-tech zone 11th batch of policy funds for promoting regional economic stability and quality improvement	39,231.29			29,228.65			10,002.64	Assets-related
2023 Ningbo hi-tech zone 9th batch of policy funds for promoting regional economic stability and quality improvement	188,089.49			78,478.60			109,610.89	Assets-related
Investment subsidies for circular economy	13,539.67			13,539.67				Assets-related

projects								
Special funds for foreign trade and economic development	4,904,596.14	800,000.00		1,343,611.04			4,360,985.10	Assets-related
Start-up subsidies	500,000.00			100,000.00			400,000.00	Revenue-related
2019 second-half-year Nanjing certification declaration subsidies for headquarters enterprises and headquarters building: CNY 1 million	533,333.33			100,000.00			433,333.33	Revenue-related
Government grants for Nanjing Economic and Technological Development Zone for promoting the development of inspection and testing/certification and accreditation industry: CNY 2.024 million	1,096,333.33			202,400.00			893,933.33	Revenue-related
Enterprise support, S&T reward funds	3,094,492.89			84,013.40			3,010,479.49	Assets-related
Right to use government equipment	1,833,449.39			517,067.37			1,316,382.02	Assets-related
Project funds for Kunshan mass entrepreneurship and innovation talent team plan	333,333.32			166,666.68			166,666.64	Revenue-related
2015 Project fund for special fund support for Suzhou municipal industrial economy upgrading	11,209.13			7,246.30			3,962.83	Assets-related
2015 municipal guidance funds for service industry development	1,213,414.68			36,585.36			1,176,829.32	Assets-related
Lump-sum funding for construction of postdoctoral site	529,510.50			105,469.24			424,041.26	Revenue-related
Matching funding for daily operating expenses of postdoctoral workstations (innovation practice bases)	800,000.00	300,000.00					1,100,000.00	Revenue-related
Shenzhen 2023 Special Program for Innovation Platform	3,354,726.96			960,822.24			2,393,904.72	Assets-related

Construction Projects in High-tech Zones								
7th Batch of Economic Stabilization and Quality Improvement Funds in 2024	112,049.83			43,313.15			68,736.68	Revenue-related
2024 Jiangsu Province Special Funds for Building a Strong Manufacturing Province	3,000,000.00			514,653.27			2,485,346.73	Assets-related
2024 Emerging Industries Support Program for Industrial Service System Projects	700,000.00			259,254.84			440,745.16	Assets-related
2014–2020 Competitiveness and Innovation Program Funds for Small, Medium, and Micro-sized Enterprises	605,966.06			100,727.92		54,994.64	560,232.78	Assets-related
2024YFF0618705 Key Technology Application Demonstration for Collaborative Risk Control in Import and Export Fields		805,000.00		144,000.00			661,000.00	Revenue-related
2025 Tianjin Municipal R&D Special Project for Science and Technology Service Industry		100,000.00		100,000.00				Revenue-related
Technology Voucher Program		38,351.33		8,210.70		−692.96	29,447.67	Revenue-related
Total	73,585,257.03	2,043,351.33		16,339,174.46		54,301.68	59,343,735.58	

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 income.

(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 income 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.

(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 income 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 income.

(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 1,343,611.04 was transferred to other income.

(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 income 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 income 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 517,067.37 carried forward to other income 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 income 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 960,822.24 was transferred to other income.

(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 and was amortized into current profit or loss in installments upon the commencement of asset use. In the current period, CNY 514,653.27 was transferred to other income.

52. Other non-current liabilities: None

53. 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:

54. Other equity instruments: None

55. Capital surplus

Unit: CNY

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (equity premium)	356,818,095.04		8,043,718.70	348,774,376.34
Other capital reserves	57,427,206.49			57,427,206.49
Total	414,245,301.53		8,043,718.70	406,201,582.83

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 -8,043,718.70.

56. Treasury stocks

Unit: CNY

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Equity incentive buybacks	147,847,373.19	9,233,722.42		157,081,095.61
Total	147,847,373.19	9,233,722.42		157,081,095.61

57. 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	Less: Retained earnings in current period carried	Less: Income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	

			from other comprehensive revenue included in the previous period.	forward to current period from other comprehensive revenue included in the previous period.				
II. Other comprehensive revenue to be reclassified into profits and losses	15,564,473.23	11,412,325.66				11,412,325.66		26,976,798.89
Translation differences of foreign currency financial statements	15,564,473.23	11,412,325.66				11,412,325.66		26,976,798.89
Total other comprehensive revenue	15,564,473.23	11,412,325.66				11,412,325.66		26,976,798.89

58. Special reserves: None

59. Surplus reserve

Unit: CNY

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	399,215,371.44	68,918,265.69		468,133,637.13
Total	399,215,371.44	68,918,265.69		468,133,637.13

60. Undistributed profits

Unit: CNY

Items	This period	Previous period
Closing undistributed profits of previous period before adjustments	4,549,382,906.01	3,844,967,551.01
Opening undistributed profits after adjustment	4,549,382,906.01	3,844,967,551.01
Add: Net profit attributable to owners of the parent company for this period	1,016,418,093.67	921,073,108.56
Less: Appropriation of statutory surplus reserve	68,918,265.69	49,174,932.16
Dividends payable on ordinary stock	250,924,232.10	167,482,821.40
Closing undistributed profit	5,245,958,501.89	4,549,382,906.01

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.

Detailed explanation of using capital reserve to cover losses:

61. Operating revenue and cost

Unit: CNY

Items	Amount incurred this period		Amount incurred in previous period	
	Revenue	Cost	Revenue	Cost
Main business	6,608,093,956.70	3,400,626,666.55	6,067,202,803.95	3,072,359,545.48
Other business	12,641,950.01	1,243,259.74	16,813,738.24	1,815,148.68
Total	6,620,735,906.71	3,401,869,926.29	6,084,016,542.19	3,074,174,694.16

During the reporting period, the lowest of the Company's audited total profit, net profit, and net profit after deduction of non-recurring profit and loss is 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	6,620,735,906.71	3,401,869,926.29					6,620,735,906.71	3,401,869,926.29
Including:								
Life sciences	2,910,149,898.27	1,452,625,405.38					2,910,149,898.27	1,452,625,405.38
Industrial testing	1,376,118,373.06	789,228,220.38					1,376,118,373.06	789,228,220.38
Consumer products testing	1,127,273,733.99	650,343,807.94					1,127,273,733.99	650,343,807.94
Trade assurance	879,983,961.98	257,379,095.23					879,983,961.98	257,379,095.23
Pharma and medical services	327,209,939.41	252,293,397.36					327,209,939.41	252,293,397.36
Classification by business area	6,620,735,906.71	3,401,869,926.29					6,620,735,906.71	3,401,869,926.29
Including:								
Domestic	6,126,457,538.25	3,095,302,083.42					6,126,457,538.25	3,095,302,083.42
Overseas	494,278,368.46	306,567,842.87					494,278,368.46	306,567,842.87
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: None

62. Taxes and surcharges

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Urban maintenance and construction tax	11,109,646.74	9,691,812.02
Educational surcharge	5,006,995.17	4,435,723.70
Property tax	14,352,953.68	14,568,289.40
Land use tax	1,030,741.93	850,221.57
Vehicle and vessel usage tax	60,523.49	79,218.13
Stamp duty	3,425,940.69	3,286,574.81
Local education surcharge	3,339,589.72	2,948,431.52
Other taxes	207,865.60	2,300,191.45
Total	38,534,257.02	38,160,462.60

63. General and administrative expenses

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Salaries	272,342,482.81	245,103,603.56
Depreciation and amortization	38,817,600.40	32,409,373.57
Rent and utilities	17,392,038.00	17,877,473.84
Office expenses	21,190,864.52	20,981,818.47
Travel expense	10,255,016.88	8,509,274.63
Consulting and training fees	26,351,777.68	22,980,417.74
Certification fee	4,069,272.72	4,190,945.97
Material consumables	547,360.08	1,139,099.13
Others	22,673,014.44	17,231,431.60
Total	413,639,427.53	370,423,438.51

64. Selling expenses

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Salaries	752,554,678.26	647,008,350.58
Depreciation and amortization	14,649,280.50	10,860,102.72
Rent and utilities	9,340,822.16	9,300,967.33
Office expenses	26,256,245.43	30,429,151.35
Travel expense	61,892,563.19	56,390,027.13
Hospitality expense	63,106,908.43	64,852,371.27
Training fees	1,256,996.68	985,426.86

Market development fee	154,740,731.79	208,049,825.12
Others	12,541,542.66	12,489,428.02
Total	1,096,339,769.10	1,040,365,650.38

65. R&D costs

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Salaries	427,673,281.37	379,631,807.02
Material costs	41,824,578.88	46,121,732.11
Depreciation and amortization	76,169,613.02	73,484,262.05
Rent and utilities	29,004,041.44	25,662,067.80
Others	4,188,785.31	4,392,425.40
Total	578,860,300.02	529,292,294.38

66. Finance costs

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Interest expense	15,564,337.16	15,962,633.30
Less: Interest income	9,367,264.64	11,692,322.17
Currency exchange gains and losses	9,202,828.69	−2,966,319.41
Bank charges and others	2,845,740.38	2,710,905.47
Total	18,245,641.59	4,014,897.19

67. Other income

Unit: CNY

Sources of other income	Amount incurred this period	Amount incurred in previous period
VAT deduction		−3,962,261.41
Refund of procedure charges for individual income tax	1,309,207.89	2,283,210.55
Transfer-in of deferred income	16,339,174.46	16,643,827.83
Total government grants where each single subsidy does not exceed CNY 100,000	6,690,723.90	6,776,444.26
Shanghai Pinbiao - Enterprise support fund	4,500,000.00	
Enterprise support fund - Service industry development subsidies	1,411,933.00	
2024 Standard Development and Standardization Work Reward Project in Bao’an District	1,219,800.00	2,700,100.00
Ningbo subsidiary - 9th batch of 2025 special funds for accelerating high-quality development of the modern service industry, CNY 1.05 million	1,050,000.00	
Shanghai Pinzheng - Support fund	1,000,000.00	
Investitionszulage 2022	927,420.50	
District-level reward funds for high-tech enterprises	800,000.00	300,000.00
2025 Minhang District special support fund for producer services under the modern service industry policy	762,500.00	
Qingdao subsidiary - R&D investment award	730,400.00	

2nd batch of 2025 special funds for accelerating high-quality development of the modern service industry	700,000.00	
National standard development project	667,838.56	
Shanghai Pinbiao - Special subsidy for technological transformation in manufacturing	636,760.00	
Xiamen subsidiary - 2020 award for for-profit service industries	527,056.00	
2025 Jiangsu Province Special Funds for Building a Strong Manufacturing Province	500,000.00	
Living allowance for high-level corporate talent	500,000.00	
Jiangyin Zhi’an - Public health project fund	442,760.00	
Guangxi - One-time employment expansion subsidy	360,000.00	
Performance evaluation award for SME service system	350,000.00	
Zhejiang Yuanjian - Rental subsidy	342,500.00	
Shenyang City award for newly registered “enterprises above designated size”	300,040.13	
Guiyang subsidiary - (2025) 379 post-certification subsidy for high-tech enterprises	300,000.00	
Technology-based enterprise fostering project of Shenzhen Hi-tech Zone Development Special Plan	300,000.00	
Beijing subsidiary - “Specialized, Sophisticated, Unique, and Innovative” enterprise subsidy	300,000.00	
Ningbo subsidiary - 2nd batch of 2025 High-tech Zone science and technology project funds	300,000.00	
2023 Bao’an District National High-tech Enterprise Growth Award Program	300,000.00	
Hangzhou subsidiarity - Employment internship subsidy	270,043.32	140,202.74
Beijing 2024 Green Diagnosis Award - Beijing CTI Excellence	260,000.00	
Anhui Fengxue - Case-by-case award for high-growth enterprises from the Economic Development Bureau	250,000.00	
2024 Jing’an District Award for High-Quality SMEs	250,000.00	
How-To Technology - Zhangjiang 2025 project municipal funding	239,500.00	
“Sci-tech Innovation Ten Articles” technology innovation category item	231,700.00	
Xipai Technology - Rental subsidy	209,736.00	
One-time employment expansion subsidy	209,196.69	
Zhejiang Huajian - Rental Subsidy	208,800.00	213,700.00
2024 innovation platform award fund	200,000.00	
Shanghai - district level financial support	200,000.00	
National High-tech Enterprise award	200,000.00	
Award and subsidy for high-tech enterprises	200,000.00	
Subsidy for stabilizing employment	151,670.00	365,245.70

2025 Municipal Science and Technology Bureau award for national high-tech enterprise certification	150,000.00	
Zhangjiang development fund	150,000.00	
Dalian Huaxin - 2021 Key R&D Program support fund	150,000.00	
Ningbo subsidiary - 4th batch of 2025 special funds (project) for accelerating high-quality development of the modern service industry, CNY 142,200	142,200.00	
Guiyang subsidiary - Provincial Department of Human Resources and Social Security *Interim Measures for the Administration of Employment Subsidy Funds in Guizhou Province* (Q.C.S. [2017] No. 4)	140,447.37	
Nanjing Guoruan - High-tech enterprise subsidy	140,000.00	
CCP grant	135,590.07	
2023 Special Fund (Approved Category) Project for Quality and Branding	123,214.00	
IRAS PROGRESSIVE WAGE CREDIT SCHEME/IRAS CPF Transition Offset	110,805.47	
Normatex Next Level	106,876.89	
Subsidy for technology-based SMEs	100,000.00	
CTI Fengxue - Award from the Economic Development Bureau for encouraging accelerated upgrading to “above designated size” status	100,000.00	
Yunnan 2024 Award for the Project of Cultivating and Introducing High-Quality Technology Enterprises	100,000.00	
How-To Technology - 2025 District-level High-tech Enterprise Certification Award	100,000.00	
Ningbo subsidiary - 3rd batch of 2025 High-tech Zone science and technology project funds	100,000.00	
Guiyang subsidiary - 1st batch of 2024 provincial special funds for the modern service industry	100,000.00	
Guangdong Neway - Growth award for first-time upgrading from “below designated size” to “above designated size”	100,000.00	
2025 Award and Support Funds for the Quality Strong Park Initiative	100,000.00	
2025 Municipal Sci-tech Innovation Policy Award and Subsidy for First-time High-tech Enterprise Certification	100,000.00	
Hangzhou subsidiary--National hi- tech enterprise government subsidy	100,000.00	
Second Batch of Industrial support funds for Caohejing Development Zone in Shanghai		3,530,000.00
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		1,500,000.00

Funds for Industrial Development Guidance in Nyingchi		
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
2023 Growth Reward for National High-Tech Enterprises in Bao'an District		600,000.00
Normatex Next Level Bundeskasse Halle		551,454.40
Preferential tax exemption policies for recruiting key groups		550,550.00
Policy subsidies for stable growth of scientific research and technical service industries		537,184.00
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
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
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
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
Shijiazhuang High-Tech Enterprise Reward and Subsidy Funds		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
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 High-Tech Enterprises with Dual Improvements		150,000.00
Tianjin Sheeting--Living allowances for supporting the training of postdoctoral talents		150,000.00
Kunming Subsidiary - Provincial Reward for "Specialized, Sophisticated, Unique, and Innovative" Small and Medium-Sized Enterprises		150,000.00
IRAS PROGRESSIVE WAGE CREDIT SCHEME		140,155.85
Heilongjiang subsidiary--Subsidy after R&D investment for technology- based enterprises		140,000.00
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
Total	48,997,894.25	50,415,470.31

68. Net exposure hedging revenue: None

69. Profit from changes at fair value

Unit: CNY

Sources of profit from changes at fair value	Amount incurred this period	Amount incurred in previous period
Trading financial assets	1,379,371.15	35,968.49
Trading financial liabilities	1,016,817.76	1,538,150.00
Total	2,396,188.91	1,574,118.49

70. Investment income

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Long-term equity investment incomes calculated with the equity method	50,734,076.63	42,246,274.46
Investment incomes from disposal of long-term equity investments	1,686,459.11	316.59
Financial management incomes	9,166,543.30	10,737,443.51
Investment incomes from disposal of other non-current financial assets	13,593,113.40	4,334,093.19
Investment income generated from disposal of asset groups		−11,130,465.06
Others	−194,560.00	67,000.00
Total	74,985,632.44	46,254,662.69

71. Credit impairment losses

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Losses on bad debts	−20,947,183.09	−85,382,234.73
Total	−20,947,183.09	−85,382,234.73

72. Assets impairment losses

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
X. Goodwill impairment losses	−22,101,804.95	−14,246,166.74
XI. Impairment losses on contract assets	−42,755,577.18	−19,609,124.76
Total	−64,857,382.13	−33,855,291.50

73. Gains on disposal of assets

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	2,715,022.79	12,019,761.85
Total	2,715,022.79	12,019,761.85

74. Non-operating income

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous	Amount included in non-

		period	recurring profits and losses for current period
Amount unpayable	489,747.80	1,643,905.37	489,747.80
Gains on disposal of non-current assets	154,615.86	59,686.73	154,615.86
Others	5,591,083.12	4,740,733.33	5,591,083.12
Total	6,235,446.78	6,444,325.43	6,235,446.78

75. 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	973,919.30	20,000.00	973,919.30
Losses from scrapping of non-current assets	3,350,912.03	3,073,626.82	3,350,912.03
Fines and late fees	1,866,919.60	1,686,183.02	1,866,919.60
Others	1,602,249.59	915,542.23	1,602,249.59
Total	7,794,000.52	5,695,352.07	7,794,000.52

76. 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	123,033,635.41	98,444,594.21
Deferred tax expense	−27,924,239.97	−11,972,047.08
Total	95,109,395.44	86,472,547.13

(2) Adjustment process of accounting profits and income tax expenses

Unit: CNY

Items	Amount incurred this period
Total profit	1,114,978,204.59
Income tax expenses calculated at statutory/applicable tax rates	167,246,730.69
Impact of different tax rates applicable to subsidiaries	15,128,062.92
Impact of adjusting income taxes of previous periods	5,775,583.03
Impact of non-taxable incomes	−23,349,493.52
Impact of non-deductible costs, expenses and losses	9,461,394.65
Impact of using deductible losses of unrecognized deferred tax assets of previous periods	−12,780,236.35
Impact of using deductible temporary differences or deductible losses of unrecognized deferred tax assets the current period.	13,088,004.61
Impact of additional deduction of R&D costs	−79,905,565.11
Impact of changes in tax rates	−1,504,761.72
Impact of the new leasing standards	508,278.73
Others	1,441,397.51
Income tax expense	95,109,395.44

77. Other comprehensive income

See Note 57 for details.

78. 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	67,603,991.31	59,076,891.70
Government grants received	33,568,839.84	46,533,483.49
Current accounts	19,117,255.34	20,600,702.62
Interest income from current deposit	8,929,289.56	11,528,611.99
Others	57,553,493.07	43,483,536.82
Total	186,772,869.12	181,223,226.62

Other cash paid relating to operating activities

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Period costs	556,883,789.71	504,235,763.06
Deposits and guarantees	99,421,830.18	88,687,220.77
Current accounts	32,295,462.97	23,840,182.99
Others	49,467,789.75	43,698,082.19
Total	738,068,872.61	660,461,249.01

(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	1,714,282,938.95	466,364,893.55
Others	644,047.04	
Total	1,714,926,985.99	466,364,893.55

Other cash paid relating to investing activities

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Financial products	1,323,854,565.26	844,027,673.16
Prepayment for equity investment	1,200,000.00	
Total	1,325,054,565.26	844,027,673.16

(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	680,000.00	100,000.00
Total	680,000.00	100,000.00

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	17,312,959.71	18,525,806.00

Share buyback	9,233,722.42	28,551,655.89
Lease payment	128,125,607.39	129,895,980.12
Others	936,986.30	2,158,619.01
Total	155,609,275.82	179,132,061.02

Changes in various liabilities arising from financing activities

☐Applicable ☑Not applicable

(4) Description of cash flow presented on a net basis: None

(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 None

79. 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	1,019,868,809.15	932,888,018.31
Add: Provisions for assets impairment	85,804,565.22	119,237,526.23
Depreciation of fixed assets, depreciation of oil and gas assets, depreciation of productive biological assets	366,610,003.58	339,999,804.63
Depreciation of right-of-use assets	118,505,592.08	110,837,340.10
Amortization of intangible assets	12,997,778.08	8,973,200.09
Amortization of long-term prepaid expenses	48,729,656.35	44,225,168.72
Losses from disposal of fixed assets, intangible assets and other long-term assets (income is indicated with a sign "–")	−2,715,022.79	−12,019,761.85
Losses from scrapping of fixed assets (income is indicated with a sign "–")	3,196,296.17	3,013,940.09
Losses from changes at fair value (income is indicated with a sign "–")	−2,396,188.91	−1,574,118.49
Finance costs (income is indicated with a sign "–")	24,767,165.85	12,996,313.89
Investment losses (income is indicated with a sign "–")	−74,985,632.44	−46,254,662.69
Decrease in deferred tax assets (increase is indicated with a sign "–")	−36,172,403.18	−36,309,005.86
Increase in deferred tax liabilities (decrease is indicated with a sign "–")	4,159,362.71	24,007,316.57
Decrease in inventory (increase is indicated with a sign "–")	−25,261,665.26	−1,947,098.36
Decrease in operating receivables (increase is indicated with a sign "–")	−206,951,794.12	−586,772,210.72
Increase in operating payables (decreases are indicated with a sign "–")	35,143,974.11	151,598,166.17
Others		
Net cash flows from operating activities	1,371,300,496.60	1,062,899,936.83
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	1,221,354,268.23	850,310,206.78
Less: Opening balance of cash	850,310,206.78	1,424,811,490.89
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	371,044,061.45	−574,501,284.11

(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	483,723,412.38
Including:	
Jiangsu Honghai Vehicle Testing Co., Ltd.	9,000,000.00
ALS Chemex Guangzhou Co., Ltd.	30,974,575.07
Huan’an Biological Technology Service Co., Ltd.	9,450,000.00
Shenzhen Openview Technology Service Co., Ltd.	18,398,498.00
OPENVIEW SERVICE LIMITED	1,871,772.87
Safety SA Topco (Pty) Ltd	311,080,980.25
Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.	15,417,085.20
Laboratcire MIDAC	6,298,699.43
Guangxi Pinsheng Strategic Resource Project for Laboratory Animals	24,450,000.00
OPENVIEW SERVICE VN JOINT STOCK COMPANY	7,633,198.96
Emicert Audit Verification and Certification Services Ltd	18,906,338.55
Envirometrics Technical Consultants S.A.	30,242,264.05
Less: Cash and cash equivalents held by the Company at the acquisition date	73,566,285.89
Including:	
Jiangsu Honghai Vehicle Testing Co., Ltd.	9,644,047.04
ALS Chemex Guangzhou Co., Ltd.	16,044,823.07
Huan’an Biological Technology Service Co., Ltd.	68,633.77
Shenzhen Openview Technology Service Co., Ltd.	2,434,643.98
OPENVIEW SERVICE LIMITED	1,754,677.66
Safety SA Topco (Pty) Ltd	24,441,477.86
Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.	9,166,201.60
Laboratcire MIDAC	213,451.02
OPENVIEW SERVICE VN JOINT STOCK COMPANY	6,016,905.53
Emicert Audit Verification and Certification Services Ltd	2,716,504.82
Envirometrics Technical Consultants S.A.	1,064,919.54
Add: Cash or cash equivalents paid in current period for business combinations occurred in previous periods	11,098,439.43
Including:	
Shaanxi Huabang Testing Service Co., Ltd.	129,100.00

GRAND VANTAGE GLOBAL VERIFICATION LIMITED	2,203,055.72
CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd.	42,460.00
Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei	839,947.84
Centre Testing International Metrology Testing (Henan) Co., Ltd.	185,000.00
Microtek (Changzhou) Product Service Co., Ltd.	7,698,875.87
Net cash paid for acquiring subsidiaries	421,255,565.92

Other Notes: The negative net cash paid for the acquisition of Jiangsu Honghai Vehicle Testing Co., Ltd. is presented under "Other cash received relating to investing activities".

(3) Net cash received from disposal of subsidiaries in current period

Unit: CNY

	Amount
Cash or cash equivalents received in the current period from the disposal of subsidiaries	5,202,884.00
Including:	
Hebei CTI Junrui Testing Technology Co., Ltd.	5,202,884.00
Less: Cash and cash equivalents held by the subsidiary at the date of loss of control	225,490.68
Including:	
Hebei CTI Junrui Testing Technology Co., Ltd.	225,490.68
Including:	
Net cash received from disposal of subsidiaries	4,977,393.32

(4) Composition of cash and cash equivalents

Unit: CNY

Items	Closing balance	Opening balance
I. Cash	1,221,354,268.23	850,310,206.78
Including: Cash on hand	96,209.19	132,174.71
Bank deposits readily available for payment	1,220,180,750.55	839,255,874.18
Funds in other currencies readily available for payment	1,077,308.49	10,922,157.89
III. Closing balance of cash and cash equivalents	1,221,354,268.23	850,310,206.78

(5) Items with limited scope of use but still classified as cash and cash equivalents: None

(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	53,746,967.48	32,093,783.42	Bid bonds, performance bonds, quality assurance deposits, advance payment guarantees, judicial freezes, and others
Total	53,746,967.48	32,093,783.42	

(7) Description of other major activities

80. 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:

81. 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	25,094,816.73	7.0288	176,386,447.83
EUR	5,768,194.81	8.2355	47,503,968.36
HKD	49,609,263.39	0.9032	44,807,086.69
GBP	33,879.00	9.4346	319,634.81
NTD	28,540,417.00	0.2231	6,367,367.03
SGD	2,055,735.42	5.4586	11,221,437.36
ZAR	55,654,987.00	0.4224	23,508,666.51
MXN	1,775,982.17	0.3899	692,455.45
VND	7,939,013,427.00	0.0003	2,381,704.03
JPY	4,375,932.00	0.0448	196,041.75
ZMW	3,259,739.03	0.3160	1,030,077.53
Accounts receivable			
Including: USD	415,397,545.05	7.0288	2,919,746,264.65
EUR	6,497,993.55	8.2355	53,514,225.88
HKD	30,983,663.87	0.9032	27,984,445.21
GBP	92,477.26	9.4346	872,485.96
NTD	20,008,441.00	0.2231	4,463,883.19
SGD	886,377.93	5.4586	4,838,382.57
ZAR	114,286,213.07	0.4224	48,274,496.40
MXN	19,805,493.11	0.3899	7,722,161.76
VND	766,939,920.37	0.0003	230,081.98
ZMW	3,784,515.67	0.3160	1,195,906.95
Long-term borrowings			
Including: USD			
EUR	180,760.25	8.2355	1,488,651.04
HKD			
NTD	17,437,506.00	0.2231	3,890,307.59
Contract assets			
Including: USD	105,784.00	7.0288	743,534.58
EUR	585,222.33	8.2355	4,819,598.50
HKD	10,611,126.75	0.9032	9,583,969.68
SGD	885.00	5.4586	4,830.86
Other receivables			
Including: USD	38,104.09	7.0288	267,826.03
EUR	341,978.32	8.2355	2,816,362.45
HKD	1,428,894.37	0.9032	1,290,577.39
GBP	2,232.00	9.4346	21,058.03
NTD	30,177,358.00	0.2231	6,732,568.57
SGD	94,761.72	5.4586	517,266.32
ZAR	4,119,502.17	0.4224	1,740,077.72
MXN	81,350.35	0.3899	31,718.50
VND	183,231,170.00	0.0003	54,969.35

JPY	35,000.00	0.0448	1,568.00
MYR	9,750.00	1.7319	16,886.03
ZMW	1,400.00	0.3160	442.40
Accounts payable			
Including: USD	1,344,645.25	7.0288	9,451,242.53
EUR	940,309.29	8.2355	7,743,917.16
HKD	1,567,825.42	0.9032	1,416,059.92
GBP	22,087.07	9.4346	208,382.67
NTD	9,126,977.00	0.2231	2,036,228.57
SGD	275,775.72	5.4586	1,505,349.35
ZAR	23,666,536.76	0.4224	9,996,745.13
MXN	388,176.97	0.3899	151,350.20
VND	376,281,356.24	0.0003	112,884.41
JPY	1,398,324.00	0.0448	62,644.92
MYR	117,826.56	1.7319	204,063.82
AUD	9,947.19	4.6892	46,644.36
INR	60,067.50	0.0780	4,685.27
ZMW	242,507.13	0.3160	76,632.25
Other payables			
Including: USD	61,415.36	7.0288	431,676.28
EUR	859,651.21	8.2355	7,079,657.54
HKD	319,826.44	0.9032	288,867.24
GBP	76,891.42	9.4346	725,439.79
NTD	5,087,801.00	0.2231	1,135,088.40
SGD	130,843.03	5.4586	714,219.76
ZAR	9,176,988.52	0.4224	3,876,359.95
VND	594,902,548.73	0.0003	178,470.76
JPY	249,996.00	0.0448	11,199.82
SEK	3,600.00	0.7617	2,742.12
Lease liabilities (including those due within one year)			
Including: USD	48,197,907.74	7.0288	338,773,453.92
EUR	113,323,951.43	8.2355	933,279,402.00
HKD	5,800,156.08	0.9032	5,238,700.97
NTD	1,254,391.45	0.2231	279,854.73
SGD	7,578,997.92	5.4586	41,370,718.05
ZAR	12,479,797.77	0.4224	5,271,466.58
MXN	416,004.48	0.3899	162,200.15

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

82. 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 134,788,137.61.

Situations involving sale and leaseback transactions: None

(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	9,333,373.91	
Total	9,333,373.91	

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

83. Data resources

84. Others

VIII. R&D expenditures

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Salaries	427,673,281.37	379,631,807.02
Material costs	41,824,578.88	46,121,732.11
Depreciation and amortization	76,169,613.02	73,484,262.05
Rent and utilities	29,004,041.44	25,662,067.80
Others	6,006,388.27	4,392,425.40
Total	580,677,902.98	529,292,294.38
Including: Expensed R&D expenditures	578,860,300.02	529,292,294.38
Capitalized R&D expenditure	1,817,602.96	0.00

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	Outsourced R&D	Recognition as intangible assets	Transfer in current profits or losses	Recognition as intangible assets	

Training courses				1,817,602.96			215,761.23	1,601,841.73
Total				1,817,602.96			215,761.23	1,601,841.73

2. Major outsourcing projects in R&D process: None

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
Jiangsu Honghai Vehicle Testing Co., Ltd.	January 6, 2025	9,000,000.00	70.00%	By cash	January 1, 2025	Obtain control	177,567.16	−3,129,086.35	−1,279,156.76
ALS Chemex Guangzhou Co., Ltd.	May 13, 2025	33,974,575.07	100.00%	By cash	June 1, 2025	Obtain control	12,185,954.87	4,057,437.65	−16,010,532.30
Huan'an Biological Technology Service Co., Ltd.	July 31, 2025	10,500,000.00	70.00%	By cash	August 1, 2025	Obtain control	6,141,293.23	2,734,834.58	9,337,809.49
OPENVIEW SERVICE LIMITED	July 23, 2025	2,337,944.62	65.00%	By cash	August 1, 2025	Obtain control	7,078,797.58	549,987.66	−174,617.33
Shenzhen Openview Information Consulting Co., Ltd. (Note 1)	July 23, 2025	23,116,118.00	65.00%	By cash	August 1, 2025	Obtain control	8,084,024.23	2,164,749.94	323,653.72
Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.	September 19, 2025	15,417,085.20	100.00%	By cash	October 1, 2025	Obtain control	6,293,285.68	3,415,115.24	1,250,957.95
Safety SA TopCo Proprietary Limited (Note 2)	September 19, 2025	222,217,551.23	100.00%	By cash	October 1, 2025	Obtain control	62,770,696.27	4,906,507.29	−2,297,213.88
Laboratcire MIDAC	September 29, 2025	6,347,877.89	100.00%	By cash	October 1, 2025	Obtain control	1,273,034.06	−312,653.75	27,781.00
OPENVIEW SERVICE	October 29, 2025	6,745,082.91	60.00%	By cash	November 1, 2025	Obtain control	2,406,883.98	581,150.21	−1,712,307.31

VN JOINT STOCK COMPANY									
Envirometrics Technical Consultants S.A.	November 11, 2025	37,829,702.58	51.00%	By cash	November 1, 2025	Obtain control	3,751,877.21	842,114.16	−592,930.01
Emicert Audit Verification and Certification Services Ltd (Note 3)	November 11, 2025	23,649,722.88	51.00%	By cash	November 1, 2025	Obtain control	2,318,830.98	−790,211.98	824,706.41

Other Notes:

Note 1: The acquisition of Shenzhen Openview Information Consulting Co., Ltd. includes its subsidiary, Shenzhen Openview Technology Service Co., Ltd.

Note 2: The acquisition of Safety SA TopCo Proprietary Limited includes its subsidiaries: Nosa Group Empowerment Company (Pty) Ltd, Safety SA Holdco (Pty) Ltd, Safety SA Subco (Pty) Ltd, Nosa Logistics (Pty) Ltd, Aspirata Auditing Testing And Certification (Pty) Ltd, World of Ethics (Pty) Ltd, Ethical Excellence (Pty) Ltd, Ethikos Academy (Pty) Ltd, Quality and Safety Risk Professional Services International (Pty) Ltd, Vetlab Limited, Safety SA Solutions (Pty) Ltd, Nosa (Pty) Ltd, National Occupational Safety Association (Namibia) (Pty) Ltd, Nosa Auditing and Inspection Services (Pty) Ltd, National Quality Assurance (Pty) Ltd, Safety Middle East Holdco Ltd, World Of Ethics (Pty) Ltd, Ethical Excellence (Pty) Ltd, and Ethikos Academy (Pty) Ltd.

Note 3: The acquisition of Emicert Audit Verification and Certification Services Ltd includes its subsidiary, S.A.S. EKOMETRITIKI LIMITED.

(2) Combination costs and goodwill

Unit: CNY

Combination costs	Jiangsu Honghai Vehicle Testing Co., Ltd.	ALS Chemex Guangzhou Co., Ltd.	Huan'an Biological Technology Service Co., Ltd.	OPENVIEW SERVICE LIMITED	Shenzhen Openview Information Consulting Co., Ltd.	Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.	Safety SA TopCo Proprietary Limited	Laboratcire MIDAC	OPENVIEW SERVICE VN JOINT STOCK COMPANY	Envirometrics Technical Consultants S.A.	Emicert Audit Verification and Certification Services Ltd
--Cash	9,000,000.00	33,974,575.07	10,500,000.00	2,337,944.62	23,116,118.00	15,417,085.20	222,217,551.23	6,347,877.89	6,745,082.91	37,829,702.58	23,649,722.88
--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 acquisition date											
--Other											

Total combination costs	9,000,000.00	33,974,575.07	10,500,000.00	2,337,944.62	23,116,118.00	15,417,085.20	222,217,551.23	6,347,877.89	6,745,082.91	37,829,702.58	23,649,722.88
Less: Share of fair value of identifiable net assets acquired	6,817,156.05	16,351,166.67	6,188,002.87	580,584.12	31,035.14	12,131,002.16	47,155,318.23	−330,246.54	1,052,840.58	2,185,617.31	3,412,701.59
Goodwill/The amount by which combination cost is less than the share of fair value of identifiable net assets acquired	2,182,843.95	17,623,408.40	4,311,997.13	1,757,360.50	23,085,082.86	3,286,083.04	175,062,233.00	6,678,124.43	5,692,242.33	35,644,085.27	20,237,021.29

Method for determining the fair value of combination costs: The fair value of the combination cost is determined based on the cash paid and any contingent consideration.

Main reasons for the formation of large goodwill:

Safety SA TopCo Proprietary Limited’s main business includes TIC as well as training services. It is a leading authority in the fields of food safety and HSEQ (Health, Safety, Environment, and Quality) services in South Africa and the African region. Upon completion of this acquisition, CTI will use South Africa as a strategic hub, deeply integrating SAFETY SA’s global network resources to build a comprehensive TICT service platform connecting the markets of China, Africa, and the Middle East. The Company negotiated the equity transfer value of SAFETY SA with the transferor, completed the aforementioned M&A in September 2025, and recognized the excess of the combination cost over the fair value of the identifiable net assets as goodwill.

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Unit: CNY

	Jiangsu Honghai Vehicle Testing Co., Ltd.		ALS Chemex Guangzhou Co., Ltd.		Huan’an Biological Technology Service Co., Ltd.		OPENVIEW SERVICE LIMITED		Shenzhen Openview Information Consulting Co., Ltd.		Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.		SAFETY SA TOPCO (PTY) LTD		Laboratcire MIDAC		OPENVIEW SERVICE VN JOINT STOCK COMPANY		Envirometrics Technical Consultants S.A.		Emicert Audit Verification and Certification Services Ltd	
	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	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:	10,046,689.42	10,046,689.42	20,308,489.13	20,308,489.13	10,309,138.27	10,309,138.27	4,899,785.80	4,899,785.80	3,598,555.70	3,598,555.70	13,077,860.77	13,077,860.77	202,118,405.43	202,118,405.43	1,011,756.66	1,011,756.66	9,796,457.06	9,796,457.06	14,835,398.94	14,835,398.94	12,304,515.66	12,304,515.66
Cash and cash equivale	9,644,047.04	9,644,047.04	16,044,823.07	16,044,823.07	68,633.77	68,633.77	1,754,677.66	1,754,677.66	2,434,643.98	2,434,643.98	9,166,201.60	9,166,201.60	24,441,478.86	24,441,478.86	213,451.02	213,451.02	6,016,905.53	6,016,905.53	1,064,919.53	1,064,919.53	2,716,504.77	2,716,504.77

nts																						
Accounts receivable			1,672,888.63	1,672,888.63	431,692.83	431,692.83	409,304.66	409,304.66	13,787.84	13,787.84	3,211,842.50	3,211,842.50	44,068,359.48	44,068,359.48	392,333.09	392,333.09	1,066,926.48	1,066,926.48	3,694,872.69	3,694,872.69	5,667,311.88	5,667,311.88
Inventories			695,112.27	695,112.27	152,747.10	152,747.10							4,560,930.37	4,560,930.37	164,101.50	164,101.50						
Fixed assets	396,658.64	396,658.64	1,517,423.12	1,517,423.12	133,270.40	133,270.40					6,457.84	6,457.84	13,507,464.77	13,507,464.77	86,793.95	86,793.95	5,690.06	5,690.06	1,812,344.00	1,812,344.00	574,743.03	574,743.03
Intangible assets													83,670,825.15	83,670,825.15	3,500.71	3,500.71			241,430.20	241,430.20	84,531.68	84,531.68
Trading financial assets					8,495,235.86	8,495,235.86																
Notes receivable					160,275.00	160,275.00					560,000.00	560,000.00										
Advances to suppliers			102,108.04	102,108.04	24,230.70	24,230.70	112,893.79	112,893.79	30,555.49	30,555.49	1,125.00	1,125.00	2,497,245.02	2,497,245.02	76,585.50	76,585.50	3,696.97	3,696.97	140,434.33	140,434.33	48,017.40	48,017.40
Other receivables	350.00	350.00	276,134.00	276,134.00	142,838.08	142,838.08	2,592,428.28	2,592,428.28	1,119,568.39	1,119,568.39	112,104.30	112,104.30	1,981,237.09	1,981,237.09	13,169.47	13,169.47	2,703,238.02	2,703,238.02	164,846.04	164,846.04	92,564.62	92,564.62
Contract assets															61,821.42	61,821.42			3,090,773.28	3,090,773.28	1,489,195.01	1,489,195.01
Other							30,481	30,481.4											931,31	931,31	186,77	186,77

current assets							.41	1											4.42	4.42	1.67	1.67
Development expenditure													1,178,731.15	1,178,731.15								
Other non-current assets					5,000.00	5,000.00							3,334.46	3,334.46								
Long-term equity investments																			1,679.96	1,679.96		
Right-of-use assets					695,214.53	695,214.53							14,342,890.63	14,342,890.63					3,692,784.49	3,692,784.49	1,444,875.60	1,444,875.60
Long-term prepaid expenses	5,633.74	5,633.74									20,129.53	20,129.53	7,040,753.44	7,040,753.44								
Deferred tax assets													4,825,156.01	4,825,156.01								
Liabilities:	307,895.0	307,895.06	3,957,322.46	3,957,322.46	1,469,134	1,469,134.17	4,006,579	4,006,579.46	3,550,809	3,550,809	946,858.6	946,858.6	154,963,087.	154,963,087.	1,342,003	1,342,003	8,041,722	8,041,722	10,549,874.8	10,549,874.8	5,612,943	5,612,943

	6				.17		.46		.33	.33	1	1	20	20	.20	.20	.76	.76	0	0	.92	.92
Borrowings															36,835.06	36,835.06						
Accounts payable			762,955.23	762,955.23	172,053.13	172,053.13	1,597,973.32	1,597,973.32	18,215.62	18,215.62	277,593.76	277,593.76	15,448,834.10	15,448,834.10	395,271.30	395,271.30	766,310.58	766,310.58	1,254,816.00	1,254,816.00	21,414.43	21,414.43
Deferred tax liabilities																						
Contract liabilities			2,604,670.10	2,604,670.10	28,301.89	28,301.89	569,637.38	569,637.38	575,075.73	575,075.73			13,590,907.44	13,590,907.44	39,041.46	39,041.46	444,015.38	444,015.38				
Salaries payable			482,428.98	482,428.98	664,230.93	664,230.93			1,480,352.07	1,480,352.07	371,762.50	371,762.50	15,080,810.69	15,080,810.69	228,057.32	228,057.32	469,635.20	469,635.20	205,691.29	205,691.29	114,981.18	114,981.18
Taxes payable	5,620.63	5,620.63	107,268.15	107,268.15	42,519.48	42,519.48			88,503.10	88,503.10	151,155.49	151,155.49	1,084,654.32	1,084,654.32	53,196.18	53,196.18	498,547.14	498,547.14	1,222,673.81	1,222,673.81	432,369.64	432,369.64
Other payables	302,274.43	302,274.43			37,819.73	37,819.73	1,838,968.76	1,838,968.76	1,388,662.81	1,388,662.81	146,346.86	146,346.86	3,817,608.58	3,817,608.58	589,601.88	589,601.88	5,863,214.46	5,863,214.46	3,430,988.74	3,430,988.74	3,599,303.05	3,599,303.05
Non-current liabilities due within one year													7,734,566.75	7,734,566.75								
Long-term													88,372,516.8	88,372,516.8					742,920.4	742,920.4		

borrowings													8	8					7	7		
Lease liabilities					524,209.01	524,209.01							9,833,188.44	9,833,188.44					3,692,784.49	3,692,784.49	1,444,875.62	1,444,875.62
Net assets	9,738,794.36	9,738,794.36	16,351,166.67	16,351,166.67	8,840,004.10	8,840,004.10	893,206.34	893,206.34	47,746.37	47,746.37	12,131,002.16	12,131,002.16	47,155,318.23	47,155,318.23	−330,246.54	−330,246.54	1,754,734.30	1,754,734.30	4,285,524.14	4,285,524.14	6,691,571.74	6,691,571.74
Less: Minority shareholders' interests																						
Net assets acquired	9,738,794.36	9,738,794.36	16,351,166.67	16,351,166.67	8,840,004.10	8,840,004.10	893,206.34	893,206.34	47,746.37	47,746.37	12,131,002.16	12,131,002.16	47,155,318.23	47,155,318.23	−330,246.54	−330,246.54	1,754,734.30	1,754,734.30	4,285,524.14	4,285,524.14	6,691,571.74	6,691,571.74

(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

(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. None

(6) Other descriptions: None

2. Business combination under common control: None

3. Counter purchase: None

4. Disposal of subsidiaries

Is there any transaction or event resulting in the loss of control to subsidiaries during this period?

☑Yes ☐No

Unit: CNY

Name of subsidiary	Disposal consideration at	Disposal percentage at the	Method of disposal	Date of loss of control	Basis for determining the	Difference between	Percentage of remainin	Carrying amount of the	Fair value of the	Gain or loss arising	Method and main	Amount of other compreh

	the date of loss of control	date of loss of control	at the date of loss of control		date of loss of control	the disposal consideration and the share of the subsidiary's net assets attributable to the disposed investment at the consolidated financial statement level	g equity interest at the date of loss of control	remaining equity interest at the date of loss of control at the consolidated financial statement level	remaining equity interest at the date of loss of control at the consolidated financial statement level	from the remeasurement of the remaining equity interest at fair value	assumptions for determining the fair value of the remaining equity interest at the date of loss of control at the consolidated financial statement level	ensive income related to the original subsidiary equity investment transferred to investment income/loss or retained earnings
Hebei CTI Junrui Testing Technology Co., Ltd.	7,608,969.00	100.00%	Disposal	October 14, 2025	The transfer agreement has been fully executed.	1,686,459.11	0.00%	0.00	0.00	0.00	-	0.00

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. Subsidiaries newly established in the current period: Hainan CTI Technical Service Co., Ltd., Guangxi Hechi Pinsheng Biotechnology Co., Ltd.

2. Subsidiaries deregistered in the current period: Shenzhen CTI Fengxue Testing Technology Co., Ltd., Centre Testing International Hubei Co., Ltd., Shenzhen CTI Standard Material Research Institute, Qingdao CTI Medical Testing Laboratory Co., Ltd., Shanghai CTI Fengxue Testing Technology Co., Ltd., Tianjin CTI Medical Testing Laboratory Co., Ltd.

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%		Establishment
Centre Testing	50,000,000	Beijing	Beijing	Technical	100.00%		Establishment

International Beijing Co., Ltd.	(CNY)			testing industry			
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.	1,092,539,000 (HKD)	China Hong Kong	China Hong Kong	Technical testing industry	100.00%		Establishment
CENTRE TESTING INTERNATIONAL PTE. LTD.	100,000 (SGD)	Singapore	Singapore	Technical testing industry		100.00%	Establishment
Taiwan CTI Testing Technology Co., Ltd.	40,000,000 (NTD)	Taiwan, China	Taiwan, China	Technical testing industry		100.00%	Establishment
CTIU.S. INC.	50,000 (USD)	USA	USA	Technical testing industry		100.00%	Establishment
CEM INTERNATIONAL LIMITED	229,294 (GBP)	U.K.	U.K.	Technical testing industry		70.00%	Business combination not under common control
CTI-CEM INTERNATIONAL LIMITED	100 (EUR)	Ireland	Ireland	Technical testing industry		70.00%	Business combination not under common control
POLYNDT (PRIVATE) LIMITED	70,000 (SGD)	Singapore	Singapore	Technical testing industry		100.00%	Business combination not under common control
MARITEC PTE. LTD.	32,825,386 (SGD)	Singapore	Singapore	Technical testing industry		100.00%	Business combination not under common control
CTI Germany Management GmbH	25,000 (EUR)	Germany	Germany	Technical testing industry		100.00%	Establishment
CTI Germany Holding GmbH & Co. KG	500 (EUR)	Germany	Germany	Technical testing industry		100.00%	Establishment
imat-uve gmbh	558,000 (EUR)	Germany	Germany	Technical testing industry		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		90.00%	Business combination not under common control
IMAT AUTOMOTIVE TECHNOLOGY SERVICES INC.	3,000 (USD)	USA	USA	Technical testing industry		90.00%	Business combination not under common control
IMAT AUTOMOTIVE TECHNOLOGY	100,000 (MXN)	Mexico	Mexico	Technical testing industry		90.00%	Business combination not under

SERVICES MEXICO.S. DER.L.DE C.V.							common control
Imat (Shenyang) Automotive Technology Co., Ltd.	2,960,938 (EUR)	Shenyang	Shenyang	Technical testing industry		90.00%	Business combination not under common control
Shanghai Imat Automotive Technology Services Co., Ltd.	11,320,349 (CNY)	Shanghai	Shanghai	Technical testing industry		100.00%	Business combination not under common control
Qingdao CTI Testing Technology Co., Ltd.	6,000,000 (CNY)	Qingdao	Qingdao	Technical testing industry	100.00%		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		100.00%	Establishment
Ningbo CTI Testing Technology Co., Ltd.	10,000,000 (CNY)	Ningbo	Ningbo	Technical testing industry		100.00%	Establishment
Centre Testing International Certification Co., Ltd.	50,000,000 (CNY)	Shenzhen	Shenzhen	Technical certification		100.00%	Business combination not under common control
Beijing CTI Excellence Technical Services Co., Ltd.	3,000,000 (CNY)	Beijing	Beijing	Technical testing industry		100.00%	Establishment
Zhejiang Hua’an Energy-saving Engineering Co., Ltd.	5,000,000 (CNY)	Hangzhou	Hangzhou	Technical testing industry		100.00%	Establishment
Shenzhen CTI Commodity Inspection Co., Ltd.	5,000,000 (CNY)	Shenzhen	Shenzhen	Technical appraisal	100.00%		Business combination not under common control
Suzhou CTI Biotechnology Co., Ltd.	120,000,000 (CNY)	Suzhou	Suzhou	Technical testing industry		85.60%	Establishment
Guangdong CTI Forensic Identification Center	1,000,000 (CNY)	Shenzhen	Shenzhen	Technical appraisal	100.00%		Establishment
Shenzhen CTI Training Center	1,000,000 (CNY)	Shenzhen	Shenzhen	Service industry	100.00%		Establishment
Shenzhen CTI Private Equity Fund Management Co., Ltd.	20,000,000 (CNY)	Shenzhen	Shenzhen	Service industry	100.00%		Establishment
Shenzhen CTI Information Technology Co., Ltd.	10,800,000 (CNY)	Shenzhen	Shenzhen	Technical services	100.00%		Establishment

Anhui CTI Testing Technology Co., Ltd.	17,000,000 (CNY)	Hefei	Hefei	Technical testing industry		100.00%	Establishment
Guangzhou CTI Pinbiao Testing Co., Ltd.	20,000,000 (CNY)	Guangzhou	Guangzhou	Technical testing industry		100.00%	Establishment
Shanghai CTI Zhi'an Outpatient Department Co., Ltd.	10,000,000 (CNY)	Guangzhou	Guangzhou	Service industry		85.60%	Establishment
Shanghai CTI Aipu Medical Laboratory Co., Ltd.	80,000,000 (CNY)	Shanghai	Shanghai	Service industry		85.60%	Establishment
Chongqing CTI Testing Technology Co., Ltd.	55,000,000 (CNY)	Chongqing	Chongqing	Technical testing industry		100.00%	Establishment
Suzhou CTI Anping Technology Services Co., Ltd.	35,000,000 (CNY)	Suzhou	Suzhou	Technical services		85.60%	Business combination not under common control
Wuhan CTI Testing Technology Co., Ltd.	100,000,000 (CNY)	Wuhan	Wuhan	Technical testing industry		100.00%	Establishment
Huai'an CTI Testing Technology Co., Ltd.	17,000,000 (CNY)	Huai'an	Huai'an	Technical testing industry		100.00%	Establishment
Dalian Huaxin Physicochemical Testing Center Co., Ltd.	27,000,000 (CNY)	Dalian	Dalian	Technical testing industry		100.00%	Business combination not under common control
Heilongjiang CTI Testing Technology Co., Ltd.	30,000,000 (CNY)	Harbin	Harbin	Technical testing industry		100.00%	Business combination not under common control
Hangzhou CTI Testing Technology Co., Ltd.	45,000,000 (CNY)	Hangzhou	Hangzhou	Technical testing industry		100.00%	Establishment
Hunan Pinbiao CTI Testing Technology Co., Ltd.	30,000,000 (CNY)	Changsha	Changsha	Technical testing industry		100.00%	Establishment
Hangzhou Hua'an Testing Technology Co., Ltd.	59,766,489 (CNY)	Hangzhou	Hangzhou	Technical testing industry	100.00%		Business combination not under common control
Xinjiang Kerui Testing Technology Co., Ltd.	3,000,000 (CNY)	Karamay	Karamay	Technical testing industry		100.00%	Establishment
Shenzhen TNLINK Technology Development Co., Ltd.	10,122,400 (CNY)	Shenzhen	Shenzhen	Technical testing industry		100.00%	Establishment
Hangzhou Hua'an Engineering Services Co., Ltd.	5,000,000 (CNY)	Hangzhou	Hangzhou	Technical testing industry		100.00%	Establishment
Zhoushan Jingwei Ship Service Co., Ltd.	3,000,000 (CNY)	Zhoushan	Zhoushan	Technical testing industry		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%		Establishment
Guizhou CTI Testing Technology Co., Ltd.	11,000,000 (CNY)	Guiyang	Guiyang	Technical testing industry		100.00%	Establishment
Nanchang CTI Certification Co., Ltd.	8,000,000 (CNY)	Nanchang	Nanchang	Technical testing industry		100.00%	Establishment
Henan CTI Testing Technology Co., Ltd.	39,800,000 (CNY)	Zhengzhou	Zhengzhou	Technical testing industry		100.00%	Business combination not under common control
Tianjin CTI Certification Co., Ltd.	257,500,000 (CNY)	Tianjin	Tianjin	Technical testing industry	100.00%		Establishment
Yunnan CTI Certification Co., Ltd.	31,000,000 (CNY)	Kunming	Kunming	Technical testing industry		100.00%	Establishment
CTI engineering Testing Co., Ltd.	50,000,000 (CNY)	Guangzhou	Guangzhou	Technical testing industry		100.00%	Business combination not under common control
Ningbo Weizhi Testing Technology Services Co., Ltd.	805,284 (CNY)	Ningbo	Ningbo	Technical testing industry	100.00%		Business combination not under common control
Hebei CTI Testing Services Co., Ltd.	18,000,000 (CNY)	Shijiazhuang	Shijiazhuang	Technical testing industry		100.00%	Establishment
Beijing CTI Food and Agricultural Certification Services Co., Ltd.	3,000,000 (CNY)	Beijing	Beijing	Technical certification		100.00%	Business combination not under common control
Gansu CTI Certification Co., Ltd.	30,000,000 (CNY)	Lanzhou	Lanzhou	Technical testing industry		100.00%	Establishment
Jiangsu CTI Pinbiao Testing and Certification Technology Co., Ltd.	35,000,000 (CNY)	Nanjing	Nanjing	Technical testing industry		100.00%	Establishment
Jiangyin CTI Zhi’an Outpatient Department Co., Ltd.	4,200,000 (CNY)	Jiangyin	Jiangyin	Service industry		68.48%	Business combination not under common control
Suzhou Wuzhong Economic Development Zone Jiakang Outpatient Department Co., Ltd.	5,000,000 (CNY)	Suzhou	Suzhou	Service industry		68.48%	Business combination not under common control
Shenzhen CTI Pest Management Co.,	5,000,000 (CNY)	Shenzhen	Shenzhen	Service industry	67.00%	33.00%	Establishment

Ltd.							
Shenzhen CTI Laboratory Technology Services Co., Ltd.	35,000,000 (CNY)	Shenzhen	Shenzhen	Service industry	67.00%		Establishment
CTI Electronic Certification Co., Ltd.	50,310,000 (CNY)	Zhengzhou	Zhengzhou	Technical certification		71.26%	Business combination not under common control
Fujian Shangwei Testing Co., Ltd.	6,000,000 (CNY)	Putian	Putian	Technical testing industry	51.00%		Business combination not under common control
Guangxi CTI Certification Co., Ltd.	21,000,000 (CNY)	Nanning	Nanning	Technical testing industry		100.00%	Establishment
Centre Testing International Metrology Testing Co., Ltd.	50,000,000 (CNY)	Shenzhen	Shenzhen	Technical testing industry		100.00%	Establishment
Guangzhou CTI Testing and Certification Technology Co., Ltd.	300,000,000 (CNY)	Guangzhou	Guangzhou	Technical testing industry	100.00%		Establishment
CTI Jianghe Environmental Technology (Shenzhen) Co., Ltd.	20,000,000 (CNY)	Shenzhen	Shenzhen	Service industry		51.00%	Establishment
Inner Mongolia CTI Quality Inspection Service Co., Ltd.	19,000,000 (CNY)	Hohhot	Hohhot	Technical testing industry	100.00%		Establishment
Suzhou CTI Engineering Testing Co., Ltd.	10,000,000 (CNY)	Suzhou	Suzhou	Technical testing industry	100.00%		Establishment
Shenzhen CTI Standard Material Research Center Co., Ltd.	1,000,000 (CNY)	Shenzhen	Shenzhen	Service industry	100.00%		Establishment
Fuzhou CTI Pinbiao Testing Co., Ltd.	10,000,000 (CNY)	Fuzhou	Fuzhou	Technical testing industry		100.00%	Establishment
Liaoning CTI Pinbiao Testing and Certification Co., Ltd.	30,000,000 (CNY)	Shenyang	Shenyang	Technical testing industry		100.00%	Establishment
Zhongshan CTI Testing Technology Co., Ltd.	10,000,000 (CNY)	Zhongshan	Zhongshan	Technical testing industry		100.00%	Establishment
Dongguan CTI Testing and Certification Co., Ltd.	17,000,000 (CNY)	Dongguan	Dongguan	Technical testing industry	100.00%		Establishment
Sichuan CTI Jianxin Testing Technology Co., Ltd.	5,100,000 (CNY)	Chengdu	Chengdu	Technical testing industry		80.00%	Business combination not under common control

Chengdu CTI Testing Technology Co., Ltd.	34,000,000 (CNY)	Chengdu	Chengdu	Technical testing industry		100.00%	Establishment
Shenyang CTI Testing Technology Co., Ltd.	30,000,000 (CNY)	Shenyang	Shenyang	Technical testing industry	100.00%		Establishment
Pinbiao Environmental Technology Co., Ltd.	50,000,000 (CNY)	Xi'an	Xi'an	Technical testing industry		100.00%	Establishment
Shanxi CTI Testing and Certification Co., Ltd.	51,512,600 (CNY)	Taiyuan	Taiyuan	Technical testing industry		100.00%	Establishment
CTI Testing and Certification Group (Shandong) Co., Ltd.	220,000,000 (CNY)	Qingdao	Qingdao	Technical testing industry		100.00%	Establishment
Wuhan Huaxin Physicochemical Testing Technology Co., Ltd.	20,000,000 (CNY)	Wuhan	Wuhan	Technical testing industry		100.00%	Establishment
Zhejiang CTI Yuanjian Testing Co., Ltd.	10,000,000 (CNY)	Hangzhou	Hangzhou	Technical testing industry	75.50%		Business combination not under common control
Zhejiang Huajian Technology Development Co., Ltd.	10,000,000 (CNY)	Hangzhou	Hangzhou	Technical testing industry		75.50%	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%		Establishment
Shanghai CTI Pinchuang Medical Testing Co., Ltd.	373,311,700 (CNY)	Shanghai	Shanghai	Technical testing industry	85.60%		Establishment
CTI Ecological Environment Technology (Tianjin) Co., Ltd.	29,163,300 (CNY)	Tianjin	Tianjin	Technical testing industry		51.00%	Business combination not under common control
Shenzhen CTI Medical Testing Laboratory	10,000,000 (CNY)	Shenzhen	Shenzhen	Service industry		85.60%	Establishment
Zhengzhou CTI Aipu Medical Laboratory Co., Ltd.	15,000,000 (CNY)	Zhengzhou	Zhengzhou	Service industry		59.92%	Establishment
Suzhou CTI Medical Testing Laboratory Co., Ltd.	5,000,000 (CNY)	Suzhou	Suzhou	Service industry		85.60%	Establishment
Shanghai CTI Aikang Biotechnology Co., Ltd.	1,000,000 (CNY)	Shanghai	Shanghai	Service industry		85.60%	Establishment
How-To Enterprise Management Consulting (Shanghai) Co.,	1,250,000 (CNY)	Shanghai	Shanghai	Service industry	80.00%		Business combination not under common

Ltd.							control
How-To Technology (Shanghai) Co., Ltd.	3,000,000 (CNY)	Shanghai	Shanghai	Service industry		80.00%	Business combination not under common control
Jiangxi Yingyong CTI Testing Co., Ltd.	10,000,000 (CNY)	Ganzhou	Ganzhou	Service industry	100.00%		Establishment
Tibet CTI Testing Technology Co., Ltd.	21,000,000 (CNY)	Linzhi	Linzhi	Technical testing industry		100.00%	Establishment
CTI Guoruan Technology Services Nanjing Co., Ltd.	10,000,000 (CNY)	Nanjing	Nanjing	Service industry	51.00%		Establishment
CTI Southern Pinbiao Testing (Shenzhen) Co., Ltd.	232,000,000 (CNY)	Shenzhen	Shenzhen	Service industry	100.00%		Establishment
CTI Pindong Testing (Shanghai) Co., Ltd.	132,000,000 (CNY)	Shanghai	Shanghai	Service industry	100.00%		Establishment
CTI Northern Pinbiao Testing (Beijing) Co., Ltd.	609,572,600 (CNY)	Beijing	Beijing	Service industry	100.00%		Establishment
CTI Data Certification and Testing (Shenzhen) Co., Ltd.	300,000 (CNY)	Shenzhen	Shenzhen	Technical services		51.00%	Establishment
Guangzhou CTI Pinjian Biotechnology Co., Ltd.	14,000,000 (CNY)	Guangzhou	Guangzhou	Service industry		75.82%	Establishment
Jilin Anxin Food Technology Services Co., Ltd.	9,000,000 (CNY)	Changchun	Changchun	Technical testing industry	100.00%		Business combination not under common control
CTI (Nantong) Automotive Technology Services Co., Ltd.	18,388,160 (CNY)	Nantong	Nantong	Service industry	100.00%		Business combination not under common control
Sichuan CTI Testing Technology Co., Ltd.	100,000,000 (CNY)	Chengdu	Chengdu	Technical services	100.00%		Establishment
Guangzhou Vectoring Pharmatech Co., Ltd.	5,000,000 (CNY)	Guangzhou	Guangzhou	Service industry		85.60%	Business combination not under common control
Guangdong Neway Quality Technology Service Co., Ltd.	20,408,286 (CNY)	Guangzhou	Guangzhou	Technical services		77.69%	Business combination not under common control
Shaanxi Huabang Testing Service Co., Ltd.	16,560,000 (CNY)	Xi’an	Xi’an	Technical services		80.00%	Business combination not under common control

Shaanxi Huabang Environmental Damage Forensic Appraisal Center	1,000,000 (CNY)	Xi'an	Xi'an	Technical appraisal		80.00%	Business combination not under common control
CTI VESP Testing Technology Co., Ltd.	262,581,037 (CNY)	Hefei	Hefei	Technical services	100.00%		Business combination not under common control
Global Future Investment Limited	200,000,000 (NTD)	Cayman	Cayman	Technical services		100.00%	Business combination not under common control
Huazheng Technology Co., Ltd.	360,000,000 (NTD)	Taiwan, China	Taiwan, China	Technical services		100.00%	Business combination not under common control
Xipai Technology (Nanjing) Co., Ltd.	40,000,000 (CNY)	Nanjing	Nanjing	Service industry	100.00%		Business combination not under common control
CTI VESP Testing Technology (Shenzhen) Co., Ltd.	100,000,000 (CNY)	Shenzhen	Shenzhen	Technical services		100.00%	Establishment
CTI VESP Testing Technology (Shanghai) Co., Ltd.	100,000,000 (CNY)	Shanghai	Shanghai	Technical services		100.00%	Establishment
Centre Testing International Metrology Testing (Jinan) Co., Ltd.	10,000,000 (CNY)	Jinan	Jinan	Service industry		100.00%	Establishment
Shanghai CTI Zhi'an Outpatient Department Co., Ltd.	7,000,000 (CNY)	Shanghai	Shanghai	Service industry		61.63%	Establishment
Centre Testing International (Holdings) Pte Ltd.	9,137,143 (SGD)	Singapore	Singapore	Inspection and testing services	100.00%		Establishment
Centre Testing International (Japan) Co., Ltd	5,000,000 (JPY)	Japan	Japan	Inspection and testing services		100.00%	Establishment
CTI Fengxue Testing Technology Co., Ltd.	50,000,000 (CNY)	Hefei	Hefei	Inspection and testing services		52.00%	Business combination not under common control
Hefei CTI Fengxue Enterprise Management Partnership (Limited Partnership)	550,000 (CNY)	Hefei	Hefei	Equity investment		100.00%	Establishment
GRAND VANTAGE GLOBAL VERIFICATION	10,000,000 (NTD)	Taiwan, China	Taiwan, China	Technical testing industry		100.00%	Business combination not under common

LIMITED							control
VIRCON LIMITED	200 (HKD)	China Hong Kong	China Hong Kong	Technical services		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%		Establishment
Centre Testing International Metrology Testing (Henan) Co., Ltd.	30,000,000 (CNY)	Zhengzhou	Zhengzhou	Technical testing industry		100.00%	Asset acquisition
NAIAS SCIENTIFIC - ANALYTICAL LABORATORIES SINGLE MEMBER SOCIETE ANONYME	480,000 (EUR)	Piraeus	Piraeus	Technical testing industry		100.00%	Business combination not under common control
Zhongxin Comprehensive Outpatient Department Co., Ltd., Baohe District, Hefei	10,000,000 (CNY)	Hefei	Hefei	Technical testing industry		77.04%	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%	Establishment
Suzhou CTI Jiakang Physical Examination Center Co., Ltd.	5,000,000 (CNY)	Suzhou	Suzhou	Technical testing industry		68.48%	Establishment
CENTRE TESTING INTERNATIONAL (VIETNAM) LIMITED LIABLITY COMPANY	20,000 (USD)	Vietnam	Vietnam	Technical testing industry		100.00%	Establishment
CTI Medical Device Technology Service (Shenzhen) Co., Ltd.	40,000,000 (CNY)	Shenzhen	Shenzhen	Technical testing industry		85.60%	Establishment

Hainan CTI Technical Service Co., Ltd.	5,000,000 (CNY)	Haikou City	Haikou City	Technical testing industry	100.00%		Newly established
Guangxi Hechi Pinsheng Biotechnology Co., Ltd.	30,000,000 (CNY)	Hechi City	Hechi City	Inspection and testing services	100.00%		Newly established
Jiangsu Honghai Vehicle Testing Co., Ltd.	33,333,333 (CNY)	Changzhou	Changzhou	Inspection and testing services	70.00%		Business combination not under common control
ALS Chemex Guangzhou Co., Ltd.	6,897,000 (CNY)	Guangzhou	Guangzhou	Inspection and testing services	100.00%		Business combination not under common control
Huan’an Biological Technology Service Co., Ltd.	50,000,000 (CNY)	Beijing	Beijing	Technical testing industry		59.92%	Business combination not under common control
Shenzhen Openview Information Consulting Co., Ltd.	750,000 (CNY)	Shenzhen	Shenzhen	Information consulting	65.00%		Business combination not under common control
Shenzhen Openview Technology Service Co., Ltd.	500,000 (CNY)	Shenzhen	Shenzhen	Information consulting		65.00%	Business combination not under common control
OPENVIEW SERVICE LIMITED	10,000 (HKD)	China Hong Kong	China Hong Kong	Information consulting		65.00%	Business combination not under common control
Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.	1,060,900 (CNY)	Shenzhen	Shenzhen	Technical certification	100.00%		Business combination not under common control
Laboratcire MIDAC	80,000 (EUR)	France	France	Inspection and testing services		100.00%	Business combination not under common control
Safety SA Topco (Pty) Ltd	609,931,624 (ZAR)	South Africa	South Africa	Equity investment		100.00%	Business combination not under common control
Nosa Group Empowerment Company (Pty) Ltd	14,100,000 (ZAR)	South Africa	South Africa	Equity investment		49.00%	Business combination not under common control
Safety SA Holdco (Pty) Ltd	485,756,260 (ZAR)	South Africa	South Africa	Equity investment		87.20%	Business combination not under common control

Safety SA Subco (Pty) Ltd	28,441,000 (ZAR)	South Africa	South Africa	Equity investment		87.20%	Business combination not under common control
Nosa Logistics (Pty) Ltd	1,000 (ZAR)	South Africa	South Africa	Training services		87.20%	Business combination not under common control
Aspirata Auditing Testing And Certification (Pty) Ltd	1 (ZAR)	South Africa	South Africa	Testing and certification audit services		87.20%	Business combination not under common control
World of Ethics (Pty) Ltd	100 (ZAR)	South Africa	South Africa	Equity investment		87.20%	Business combination not under common control
Ethical Excellence (Pty) Ltd	100 (ZAR)	South Africa	South Africa	Certification services		87.20%	Business combination not under common control
Ethikos Academy (Pty) Ltd	100 (ZAR)	South Africa	South Africa	Certification services		87.20%	Business combination not under common control
Quality and Safety Risk Professional Services International (Pty) Ltd	1,000 (ZAR)	South Africa	South Africa	Inspection and audit services		87.20%	Business combination not under common control
Vetlab Limited	10,000 (ZMW)	Zambia	Zambia	Testing services		87.20%	Business combination not under common control
Safety SA Solutions (Pty) Ltd	120,000 (ZAR)	South Africa	South Africa	Inspection and audit services		87.20%	Business combination not under common control
Nosa(Pty) Ltd	120 (ZAR)	South Africa	South Africa	Training services		87.20%	Business combination not under common control
National Occupational Safety Association (Namibia) (Pty) Ltd	1 (NAD)	Namibia	Namibia	Testing services		87.20%	Business combination not under common control
Nosa Auditing and Inspection Services (Pty) Ltd	120 (ZAR)	South Africa	South Africa	Inspection and audit services		87.20%	Business combination not under common control
National Quality Assurance (Pty) Ltd	100 (ZAR)	South Africa	South Africa	Certification services		87.20%	Business combination not under

							common control
Safety Middle East Holdco Ltd	1,000,000 (AED)	United Arab Emirates	United Arab Emirates	Equity investment		87.20%	Business combination not under common control
Envirometrics Technical Consultants S.A.	300,700 (EUR)	Greece	Greece	Technical services		51.00%	Business combination not under common control
Emicert Audit Verification and Certification Services Ltd	900,030 (EUR)	Greece	Greece	Technical services		51.00%	Business combination not under common control
S.A.S. EKOM ETRITIKI LIMITED	1,000 (EUR)	Greece	Cyprus	Technical services		51.00%	Business combination not under common control
OPENVIEW SERVICE VN JOINT STOCK COMPANY	1,135,000,000 (VND)	Vietnam	Vietnam	Information consulting		60.00%	Business combination not under common control
World Of Ethics (Pty) Ltd	100 (ZAR)	South Africa	South Africa	Equity investment		87.20%	Business combination not under common control
Ethical Excellence (Pty) Ltd	100 (ZAR)	South Africa	South Africa	Certification services		87.20%	Business combination not under common control
Ethikos Academy (Pty) Ltd	100 (ZAR)	South Africa	South Africa	Certification services		87.20%	Business combination not under common control

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:

1. The Black shareholder holding a 51% equity interest in Nosa Group Empowerment Company (Pty) Ltd has not made their capital contribution. 2. Nosa Group Empowerment Company (Pty) Ltd has no actual business operations, and its profit is derived from its 25% shareholding in Safety SA Holdco (Pty) Ltd. As Safety SA Holdco (Pty) Ltd is a subsidiary of Safety SA Topco (Pty) Ltd, Safety SA Topco (Pty) Ltd can control the variable returns of Nosa Group Empowerment Company (Pty) Ltd by controlling the variable returns of Safety SA Holdco (Pty) Ltd.

(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%	−1,260,984.35		9,998,489.63
Shenzhen CTI Laboratory Technology Services Co., Ltd.	33.00%	1,390,938.90		9,438,167.70
CTI Electronic	28.74%	4,151,545.26	17,244,000.00	18,137,824.84

Certification Co., Ltd.				
Sichuan CTI Jianxin Testing Technology Co., Ltd.	20.00%	21,498.50		5,221,441.97
CTI Ecological Environment Technology (Tianjin) Co., Ltd.	49.00%	1,336,611.61		24,877,806.38
How-To Enterprise Management Consulting (Shanghai) Co., Ltd.	20.00%	1,086,179.15	1,750,000.00	5,835,335.42
Shanghai CTI Pinchuang Medical Testing Co., Ltd.	14.40%	−10,135,582.51		67,362,009.55
Shaanxi Huabang Testing Service Co., Ltd.	20.00%	849,077.56	495,362.35	5,495,518.29
VIRCON LIMITED	45.00%	−2,745,910.85		23,110,853.98

(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	87,547,851.02	51,633,155.05	139,181,006.07	28,054,546.95	596,602.05	28,651,149.00	66,063,542.89	63,814,382.30	129,877,925.19	34,389,346.24	10,447,515.74	44,836,861.98
Shenzhen CTI Laboratory Technology Services Co., Ltd.	55,018,145.23	321,550.22	55,339,695.45	21,024,840.93	9,276.32	21,034,117.25	55,278,972.51	633,655.71	55,912,628.22	27,722,028.76	15,493.99	27,737,522.75
CTI Electronic Certification Co., Ltd.	69,006,458.40	2,312,407. 00	71,318,865.40	8,046,860.52	159,460.95	8,206,321.47	115,416,382.94	3,738,930.81	119,155,313.75	10,188,115.71	299,835.96	10,487,951.67
Sichuan CTI Jianxin Testing Technology Co., Ltd.	32,387,552.21	7,758,630.68	40,146,182.89	12,222,986.08	1,775,476.88	13,998,462.96	36,900,969.03	8,625,101.60	45,526,070.63	16,676,405.44	2,809,437.77	19,485,843.21
CTI Ecological Environment Technology (Tianjin) Co., Ltd.	60,356,612.34	156,418.39	60,513,030.73	9,741,822.32	174.97	9,741,997.29	57,932,190.58	170,273.54	58,102,464.12	10,058,620.83	588.65	10,059,209.48

How-To Enterprise Management Consulting (Shanghai) Co., Ltd.	27,601,954.23	8,336,320.21	35,938,274.44	9,666,411.12	3,652,332.04	13,318,743.16	25,475,155.42	8,360,050.78	33,835,206.20	10,086,411.24	2,710,159.45	12,796,570.69
Shanghai CTI Pinchuang Medical Testing Co., Ltd.	247,915,119.57	516,248,387.61	764,163,507.18	205,153,886.79	81,425,620.46	286,579,507.25	267,517,865.66	488,247,605.09	755,765,470.75	135,114,960.86	70,267,351.74	205,382,312.60
Shaanxi Huabang Testing Service Co., Ltd.	36,247,931.61	3,406,407.32	39,654,338.93	11,768,473.51	408,233.76	12,176,707.27	33,800,753.77	4,567,234.53	38,367,988.30	13,356,188.69	105,337.29	13,461,525.98
VIRCON LIMITED	48,146,943.80	10,796,163.00	58,943,106.80	4,340,658.66	3,582,879.29	7,923,537.95	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-uvegmbh	144,502,632.85	−12,756,155.99	−7,759,926.46	−5,310,799.82	143,495,699.60	−15,288,294.51	−17,306,011.82	−1,324,861.02
Shenzhen CTI Laboratory Technology Services Co., Ltd.	45,140,361.40	6,130,472.73	6,130,472.73	9,072,723.19	49,209,059.85	3,762,504.45	3,762,504.45	16,765,330.36
CTI Electronic Certification Co., Ltd.	48,832,268.46	14,445,181.85	14,445,181.85	16,145,995.43	66,105,679.94	21,814,316.26	21,814,316.26	18,399,398.49
Sichuan CTI Jianxin Testing Technology Co., Ltd.	20,081,972.72	107,492.51	107,492.51	10,235,315.85	19,360,112.21	−3,099,620.46	−3,099,620.46	6,826,538.50
CTI Ecological Environment Technology (Tianjin) Co., Ltd.	12,769,560.50	2,727,778.80	2,727,778.80	1,576,187.09	9,969,462.59	916,392.73	916,392.73	531,121.61
How-To Enterprise Management Consulting (Shanghai) Co., Ltd.	47,914,017.50	5,430,895.77	5,430,895.77	5,575,598.12	42,513,265.74	3,922,588.71	3,922,588.71	8,422,943.72
Shanghai CTI Pinchuang	313,139,418.74	−70,617,109.45	−70,617,109.45	−40,678,872.99	271,908,618.50	−67,148,370.83	−67,148,370.83	−22,967,054.29

Medical Testing Co., Ltd.								
Shaanxi Huabang Testing Service Co., Ltd.	39,649,220.96	4,227,169.34	4,227,169.34	5,289,581.40	41,722,138.88	3,228,875.81	3,228,875.81	1,960,418.99
VIRCON LIMITED	36,558,689.07	−6,102,024.09	−7,417,149.16	8,275,245.88	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: None

(5) Financial support or other support provided to structured entities included in the scope of consolidated financial statements: None

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

Shaanxi Huabang Testing Service Co., Ltd.: In August 2025, the Company purchased the minority interest in Shaanxi Huabang for CNY 2.5047 million. Upon completion of the transaction, the Company’s shareholding in Shaanxi Huabang increased from 70% to 80%.

Jilin Anxin Food Technology Services Co., Ltd.: In October 2025, the Company purchased the minority interest in Jilin Anxin for CNY 2.90 million. Upon completion of the transaction, the Company’s shareholding in Jilin Anxin increased from 70% to 100%.

Guangzhou CTI Pinjian Biotechnology Co., Ltd.: In January 2025, the Company’s subsidiary, Shanghai Pinchuang, made a capital increase of CNY 4 million to Guangzhou Pinjian. Upon completion of the capital increase, the shareholding of the Company’s subsidiary, Shanghai Pinchuang, in Guangzhou Pinjian increased from 84% to 88.57%.

Shanghai CTI Pinchuang Medical Testing Co., Ltd.: In March 2025, the Company purchased the minority interest in Shanghai Pinchuang for CNY 4.234 million. Upon completion of the transaction, the Company’s shareholding in Shanghai Pinchuang increased from 85.38% to 85.6%.

Zhejiang CTI Yuanjian Testing Co., Ltd.: In December 2025, the Company purchased the minority interest in Zhejiang Yuanjian for CNY 6.714 million. Upon completion of the transaction, the Company’s shareholding in Zhejiang Yuanjian increased from 51% to 75.5%.

(2) Impact of the transaction on minority shareholders’ equity and owner’s equity attributable to the parent company

Unit: CNY

	Shaanxi Huabang Testing Service Co., Ltd.	Jilin Anxin Food Technology Services Co., Ltd.	Guangzhou CTI Pinjian Biotechnology Co., Ltd.	Shanghai CTI Pinchuang Medical Testing Co., Ltd.	Zhejiang CTI Yuanjian Testing Co., Ltd.
Purchase cost/disposal consideration	2,504,745.00	2,900,000.00	3,415,200.00		6,714,014.68
--Cash	2,504,745.00	2,900,000.00	3,415,200.00		6,714,014.68
--Fair value of non-cash assets					
Total purchase cost/disposal consideration	2,504,745.00	2,900,000.00	3,415,200.00		6,714,014.68
Less: Share of net assets of subsidiaries calculated in proportion to equity	2,328,689.92	534,971.10	3,070,459.34	2,461,892.06	3,826,991.31

acquired/disposed of					
Difference	176,055.08	2,365,028.90	344,740.66	2,461,892.06	2,887,023.37
Including: Adjustment of capital reserves	176,055.08	2,365,028.90	344,740.66	2,461,892.06	2,887,023.37
Adjustment of surplus reserves					
Adjustment of undistributed profits					

Other Notes:

3. Equities in joint ventures or associated businesses

(1) Important joint ventures or associated businesses

Name of joint venture or associated businesses	Principal place of business	Registration place	Nature of business	Shareholding ratio		Accounting treatment for investments in joint ventures or associated businesses
				Direct	Indirect	
Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd.	Jiaxing	Jiaxing	Technical services	13.00%		Accounting by equity method

(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	846,156,912.85	743,419,385.70
Non-current assets	775,181,994.14	705,140,057.73
Total assets	1,621,338,906.99	1,448,559,443.43
Current liabilities	273,590,839.43	273,751,584.27
Non-current liabilities	62,860,710.41	69,477,060.57
Total liabilities	336,451,549.84	343,228,644.84
Minority shareholders' interests		
Equity attributable to shareholders of the parent company	1,284,887,357.15	1,105,330,798.59
Share of net assets calculated based on shareholding ratio	167,035,356.43	143,693,003.82
Adjustments		
--Goodwill		
--Unrealized profits from internal transactions		
--Other		
Book value of equity investments in associated businesses	206,042,406.10	184,350,895.32
Fair value of equity investments in associated businesses with publicly quoted		

prices		
Operating revenue	622,232,145.00	577,641,868.97
Net profit	266,857,775.24	261,571,564.07
Net profit from discontinued operations		
Other comprehensive revenues		
Total comprehensive income	266,857,775.24	261,571,564.07
Dividends received from associated businesses this year	13,000,000.00	10,400,000.00

(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	188,959,744.88	180,422,032.34
Total of the following items calculated based on shareholding ratio		
--Net profit	16,042,614.78	10,370,610.52
--Total comprehensive income	16,042,614.78	10,370,610.52

(5) Description of significant restrictions on the ability of joint ventures or associated businesses to transfer funds to the Company: None

(6) Excess losses incurred by joint ventures or associated businesses: None

(7) Unrecognized commitments related to investment in joint ventures: None

(8) Contingent liabilities related to investments in joint ventures or associated businesses: None

4. Important joint operations: None

5. Equity in structured entities not included in the scope of consolidated financial statements: None

6. Others

XI. Government grants

1. Government grants 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 grants

☐Applicable ☑Not applicable

3. Government grants included in current profits and losses

☑Applicable ☐Not applicable

Unit: CNY

Accounting items	Amount incurred this period	Amount incurred in previous period
Deferred income	16,339,174.46	16,643,827.83
Other income	31,349,511.90	35,450,693.34

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. 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, 2025, the book balance and expected credit impairment losses of related assets are as follows:

Items	Book balance	Provision for impairment
Notes receivable	36,098,433.49	1,589,052.55
Accounts receivable	2,375,222,535.55	306,107,019.37
Other receivables	85,944,207.04	1,504,935.53
Total	2,497,265,176.08	309,201,007.45

(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, 2025, 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		40,110,856.53			40,110,856.53
Notes payable		6,729,173.46			6,729,173.46
Accounts payable		836,339,490.03			836,339,490.03
Other payables		157,925,673.13			157,925,673.13
Long-term borrowings			21,280,121.23		21,280,121.23
Lease liabilities			155,816,405.61	89,951,910.22	245,768,315.83
Non-current liabilities due within one year		114,083,643.35			114,083,643.35

Total		1,155,188,836.50	177,096,526.84	89,951,910.22	1,422,237,273.56

(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: None

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

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		101,400,467.04		101,400,467.04
Other non-current financial assets			10,589,433.91	10,589,433.91
Others		1,148,969.00		1,148,969.00
Total assets measured at fair value on an ongoing basis		102,549,436.04	10,589,433.91	113,138,869.95
II. Non-ongoing fair value measurement	--	--	--	--

2. Basis for determining the market price of ongoing and non-ongoing level-1 fair value measurement items: None

3. Ongoing and non-ongoing level-2 fair value measurement items, evaluation techniques adopted and qualitative and quantitative information of important parameters: None

4. Ongoing and non-ongoing level-3 fair value measurement projects, evaluation techniques used and qualitative and quantitative information on important parameters: None

5. Ongoing level-3 fair value measurement items, reconciliation information between the opening and closing book values and sensitivity analysis of unobservable parameters: None

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: None

7. Evaluation technology changes occurred during current period and reasons for the changes: None

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: None

XIV. Related parties and related party transactions

1. Information about the parent company of the Company

The ultimate controlling party of the Company is Wan Feng.

2. Information about the Company's subsidiaries

For details of the Company's subsidiaries, please refer to Note Section 8. X.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 8. X.3. Interests in joint arrangements or associated businesses.

4. Other related parties

Name of other related parties	Relationship between other related parties 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
Yang Fang	Director
Chen Weiming	Supervisor
Zhang Yumin	Supervisor
Du Xuezhi	Supervisor
Wang Hao	Executive
Xu Jiang	Executive
Zhou Lu	Executive
Li Fengyong	Executive
Zeng Xiaohu	Executive

Jiang Hua	Executive
Tian Qi	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 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
Shanghai Lixin Ruisi Information Management Co., Ltd.	A company invested or taking office by Yang Fang, the independent director of the Company
Shanghai Ruisi Zhiben Enterprise Management Co., Ltd.	A company invested or taking office by Yang Fang, the independent director of the Company
Xi’an Shaangu Power Co., Ltd.	A company taking office by Yang Fang, the independent director of the Company
STO Express Co., Ltd.	A company taking office by Yang Fang, the independent director of the Company
Shenzhen Siji Ganquan Food and Beverage Co., Ltd.	A company taking office by Chen Weiming, the supervisor of the Company works
Shenzhen Chuangjian Life Health Technology Co., Ltd.	A company invested or taking office by Chen Weiming, the Supervisor of the Company
Bama Life Health Technology Development Co., Ltd.	A company taking office by Chen Weiming, the supervisor of the Company works
Guangxi Bama Sijiganquan Health Industry Investment Co., Ltd.	A company taking office by Chen Weiming, the supervisor of the Company works
Guangxi Bama Shuibao Valley Hotel Co., Ltd.	A company taking office by Chen Weiming, the supervisor of the Company works
Shenzhen Qianhai Shenglian Xingye Development Co., Ltd.	A company taking office by Chen Weiming, the supervisor of the Company works
Shenzhen Qijian Hulian Technology Co., Ltd.	A company taking office by Chen Weiming, the supervisor of the Company works
Guangxi Bama Sijiganquan Ecological Technology Co., Ltd.	A company taking office by Chen Weiming, the supervisor of the Company works
PFI Fareast HK Limited	A company taking office by Qi Guancheng, the director of the Company
Ruiheng Online Investment Co., Ltd.	A company invested or taking office by Qi Guancheng, the director of the Company

Other Notes: During the reporting period, to fully implement the requirements of the new *Company Law* and its supporting rules, the Company adjusted its governance structure and no longer has a board of supervisors or supervisors. Supervisors Chen Weiming, Zhang Yumin, and Du Xuezhi stepped down on November 28, 2025. Independent Director Zeng Fanli stepped down on November 28, 2025, upon completion of his term. Senior Manager Zeng Xiaohu stepped down on December 25, 2025, upon completion of his term during the board transition.

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?
CTI engineering Testing Co., Ltd.	166,100.00	March 28, 2022	December 31, 2025	Yes
CTI VESP Testing Technology Co., Ltd.	7,776,445.00	May 31, 2023	October 27, 2026	No
CTI engineering Testing Co., Ltd.	402,000.00	January 2, 2025	December 31, 2025	Yes
CTI engineering Testing Co., Ltd.	740,000.00	January 2, 2025	December 31, 2025	Yes
CTI engineering Testing Co., Ltd.	424,300.00	October 31, 2025	December 31, 2027	No
CTI engineering Testing Co., Ltd.	402,000.00	December 31, 2025	December 31, 2026	No
CTI engineering Testing Co., Ltd.	740,000.00	December 31, 2025	December 31, 2026	No
imat-uve gmbh	598,600.00	September 2, 2022	April 30, 2026	No
Total	11,249,445.00			

(5) Fund lending from related parties: None

(6) Asset transfer and debt restructuring of related parties: None

(7) Remuneration of key management personnel

Unit: CNY

Items	Amount incurred this period	Amount incurred in previous period
Remuneration of key management personnel	16,283,300.00	17,915,800.00

(8) Other related transactions: None

6. Receivables and payables from related parties

(1) Receivables: None

(2) Payables

Unit: CNY

Project name	Related party	Closing book balance	Opening book balance
Other payables	Wan Feng		376,000.00
Other payables	Shentu Xianzhong	3,944,628.98	3,944,628.98
Other payables	Qian Feng	3,792,226.24	3,792,226.24
Other payables	Tian Qi	3,852,994.20	3,889,516.16
Other payables	Du Xuezhi	3,522.03	3,522.03

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 fifteenth 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 twenty-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 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 fifteenth 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.

3) On May 20, 2022, the Company held the twenty-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 "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 341.6978 million. In addition to the above commitments, as at December 31, 2025, 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: None

(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: None

2. Profit distribution

To-be-distributed dividends for every 10 shares (CNY)	1.5
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)	0
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	The Company's preliminary profit distribution plan for the year 2025 is as follows: based on the total share capital eligible for profit distribution on the record date for the implementation of the plan (excluding shares in the dedicated repurchase securities account), a cash dividend of CNY 1.5 (tax inclusive) per 10 shares will be distributed to all shareholders. No bonus shares will be issued, and no shares will be converted from the capital reserve. 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 November 3, 2025, and November 28, 2025, the Company held the 27th meeting of the 6th Board of Directors and the first Extraordinary General Meeting of 2025, respectively, at which relevant proposals including the *Centre Testing International Group Co., Ltd. Phase IV Employee Share Ownership Plan (Draft) and its Summary* and the *Management Measures for the Centre Testing International Group Co., Ltd. Phase IV Employee Share Ownership Plan* were reviewed and approved. Based on the verification of actual subscriptions and final payments by the participants, a total of 454 employees actually participated in and subscribed to this employee share ownership plan, for a total of 5 million shares, raising a total of CNY 71.05 million. On February 24, 2026, the 5 million shares of the Company's stock (accounting for 0.2971% of the Company's total share capital) held in the dedicated repurchase securities account were transferred via a non-trade transfer at a price of CNY 14.21 per share to the dedicated account "Centre Testing International Group Co., Ltd. - Phase IV Employee Share Ownership Plan". The non-trade transfer for this employee share ownership plan was executed without any discrepancy from the plan reviewed and approved by the shareholders' general meeting.

2. In September 2025, the Company signed an *Asset and Related Rights and Interests Transfer Agreement* with Guangxi Hechi Rongqi Biotechnology Co., Ltd. to purchase its Cynomolgus monkeys, Rhesus macaques, land use rights, buildings, and ancillary facilities for a cash consideration of CNY 81.485 million. The assets are to be delivered in two phases: Phase I was completed in October 2025, involving the land use rights and a portion of the Cynomolgus monkeys and Rhesus macaques; Phase II was completed in January 2026, involving the remaining Cynomolgus monkeys and Rhesus macaques, buildings, and ancillary facilities.

XVIII. Other important matters: None

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.

7. Other important transactions and matters that have an impact on investors' decision-making: None

8. Others: None

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)	438,684,142.35	453,539,193.72
1 to 2 years	37,199,803.41	27,366,289.04
2 to 3 years	10,424,522.13	10,541,258.17
Over 3 years	10,752,014.34	5,945,092.15
3 to 4 years	6,401,339.26	5,609,930.44
4 to 5 years	4,160,392.64	295,863.27
Over 5 years	190,282.44	39,298.44
Total	497,060,482.23	497,391,833.08

(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	3,437,799.02	0.69%	3,437,799.02	100.00%	0.00	3,728,129.47	0.75%	3,728,129.47	100.00%	0.00
Including:										
Group-based bad debt provision for accounts receivable	493,622,683.21	99.31%	37,341,527.28	7.56%	456,281,155.93	493,663,703.61	99.25%	29,995,065.59	6.08%	463,668,638.02
Including:										
Related party combinations within the scope of consolidation	143,715,479.08	28.91%	0.00	0.00%	143,715,479.08	178,239,058.94	35.83%	0.00	0.00%	178,239,058.94
Aging portfolio	349,907,204.13	70.40%	37,341,527.28	10.67%	312,565,676.85	315,424,644.67	63.42%	29,995,065.59	9.51%	285,429,579.08
Total	497,060,482.23	100.00%	40,779,326.30	8.20%	456,281,155.93	497,391,833.08	100.00%	33,723,195.06	6.78%	463,668,638.02

Provision for doubtful accounts on an individual basis: 3,437,799.02

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	3,728,129.47	3,728,129.47	3,437,799.02	3,437,799.02	100.00%	Expected to be uncollectible
Total	3,728,129.47	3,728,129.47	3,437,799.02	3,437,799.02		

Group-based bad debt provision: 37,341,527.28

Unit: CNY

Name	Closing balance		
	Book balance	Provision for bad debts	Proportion
Related party combinations within the scope of consolidation	143,715,479.08	0.00	0.00%
Aging portfolio	349,907,204.13	37,341,527.28	10.67%
Total	493,622,683.21	37,341,527.28	

Explanation for basis of group determination: The balance of related-party combinations within the consolidated scope at the end of the period is CNY 143,715,479.08.

If bad debt provisions for accounts receivable are calculated using the general expected credit loss model:

☑Applicable ☐Not applicable

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, 2025	29,995,065.59		3,728,129.47	33,723,195.06
Balance on January 1, 2025 in this period				
Provision for the current period	8,935,497.21		441,321.05	9,376,818.26
Write off in the current period	1,592,735.52		731,651.50	2,324,387.02
Other changes	3,700.00			3,700.00
Balance on December 31, 2025	37,341,527.28		3,437,799.02	40,779,326.30

(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 single provision for expected credit losses	3,728,129.47	441,321.05	0.00	731,651.50		3,437,799.02

Accounts receivable for which expected credit losses are measured on a portfolio basis	29,995,065.59	8,935,497.21	0.00	1,592,735.52	3,700.00	37,341,527.28
Total	33,723,195.06	9,376,818.26	0.00	2,324,387.02	3,700.00	40,779,326.30

(4) Actual write-offs of accounts receivable during the current period

Unit: CNY

Items	Write-off amounts
Accounts receivable actually written off	2,324,387.02

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
Accounts receivable actually written off	Testing fees	2,324,387.02	Uncollectible	Approved	No
Total		2,324,387.02			

(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	32,489,336.78		32,489,336.78	6.28%	
Second place	22,542,632.56		22,542,632.56	4.36%	419,341.96
Third place	20,423,806.97		20,423,806.97	3.95%	
Fourth place	11,821,110.04		11,821,110.04	2.28%	
Fifth place	10,508,118.55		10,508,118.55	2.03%	
Total	97,785,004.90		97,785,004.90	18.90%	419,341.96

2. Other receivables

Unit: CNY

Items	Closing balance	Opening balance
Dividends receivable	319,668,721.25	276,168,721.25
Other receivables	142,695,624.27	492,729,520.63
Total	462,364,345.52	768,898,241.88

(1) Interests 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	23,160,000.00
CTI Southern Pinbiao Testing (Shenzhen) Co., Ltd.	144,500,000.00	91,000,000.00
CTI Pindong Testing (Shanghai) Co., Ltd.	36,500,000.00	39,500,000.00
CTI Northern Pinbiao Testing (Beijing) Co., Ltd.	23,000,000.00	30,000,000.00
Total	319,668,721.25	276,168,721.25

2) Important dividends receivable aged more than 1 year: None

3) Disclosure by bad debt provision method

☐Applicable ☑Not applicable

4) Bad debt provisions accrued, recovered or reversed in current period: None

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	13,305,703.03	12,370,028.24
Receivables on behalf of third parties	127,455,561.13	481,001,578.85
Others	2,223,637.15	36,782.46
Total	142,984,901.31	493,408,389.55

2) Disclosure by aging

Unit: CNY

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	133,900,872.77	486,040,184.17
1 to 2 years	2,793,854.08	1,126,474.62
2 to 3 years	762,025.62	615,294.61
Over 3 years	5,528,148.84	5,626,436.15
3 to 4 years	345,294.61	1,340,910.73
4 to 5 years	198,799.98	2,546,348.82
Over 5 years	4,984,054.25	1,739,176.60
Total	142,984,901.31	493,408,389.55

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	50,000.00	0.03%	50,000.00	100.00%		800.00	0.00%	800.00	100.00%	

Including:										
Group-based bad debt provision	142,934,901.31	99.97%	239,277.04	0.17%	142,695,624.27	493,407,589.55	100.00%	678,068.92	0.14%	492,729,520.63
Including:										
Intra-group transactions, deposits and security deposits, and others	140,699,360.60	98.41%	127,500.00	0.09%	140,571,860.60	491,879,484.30	99.69%	590,323.58	0.12%	491,289,160.72
Aging portfolio	2,235,540.71	1.56%	111,777.04	5.00%	2,123,763.67	1,528,105.25	0.31%	87,745.34	5.74%	1,440,359.91
Total	142,984,901.31	100.00%	289,277.04	0.20%	142,695,624.27	493,408,389.55	100.00%	678,868.92	0.14%	492,729,520.63

Provision for doubtful accounts on an individual basis: 50,000.00

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	50,000.00	50,000.00	100.00%	Uncollectible
Total	800.00	800.00	50,000.00	50,000.00		

Group-based bad debt provision: 239,277.04

Unit: CNY

Name	Closing balance		
	Book balance	Provision for bad debts	Proportion
Intra-group transactions, deposits and security deposits, and others	140,699,360.60	127,500.00	0.09%
Aging portfolio	2,235,540.71	111,777.04	5.00%
Total	142,934,901.31	239,277.04	

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, 2025	678,068.92		800.00	678,868.92
Balance on January 1, 2025 in this period				
Provision for the current			50,000.00	50,000.00

period				
Reversal in the current period	424,791.88			424,791.88
Write off in the current period	14,000.00		800.00	14,800.00
Balance on December 31, 2025	239,277.04		50,000.00	289,277.04

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	800.00	50,000.00		800.00		50,000.00
Group-based bad debt provision Determining expected credit losses Other receivables	678,068.92		424,791.88	14,000.00		239,277.04
Total	678,868.92	50,000.00	424,791.88	14,800.00		289,277.04

5) Actual write-offs of other accounts receivable during the current period: None

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
Hangzhou CTI Testing Technology Co., Ltd.	Receivables on behalf of third parties	75,888,005.79	Within 1 year	53.07%	
CTI VESP Testing Technology Co., Ltd.	Receivables on behalf of third parties	18,151,945.45	Within 1 year	12.70%	
Sichuan CTI Testing Technology Co., Ltd.	Receivables on behalf of third parties	9,448,149.60	Within 1 year	6.61%	
Guangzhou CTI Testing and Certification Technology Co., Ltd.	Receivables on behalf of third parties	7,201,370.98	Within 1 year	5.04%	
Fuzhou CTI Pinbiao Testing Co., Ltd.	Receivables on behalf of third parties	3,853,947.33	Within 1 year	2.70%	
Total		114,543,419.15		80.12%	

7) Other receivables presented due to centralized management of funds: None

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	4,570,921,476.77	147,018,373.06	4,423,903,103.71	3,589,056,625.79	147,018,373.06	3,442,038,252.73
Investment in associated businesses and joint ventures	390,897,300.55		390,897,300.55	360,889,838.98		360,889,838.98
Total	4,961,818,777.32	147,018,373.06	4,814,800,404.26	3,949,946,464.77	147,018,373.06	3,802,928,091.71

(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		
Centre Testing International (Holdings) Pte Ltd.	271,480.00		49,642,071.61				49,913,551.61	
ALS Chemex Guangzhou Co., Ltd.			33,974,575.07				33,974,575.07	
CTI Northern Pinbiao Testing (Beijing) Co., Ltd.	288,572,600.00		321,000,000.00				609,572,600.00	
Chengdu Xijiao CTI Rail Transit Technology Co., Ltd.	4,200,000.00						4,200,000.00	
Greater Asia Pacific Limited	59,014,093.04						59,014,093.04	
Dongguan CTI Testing and Certification Co., Ltd.	17,000,000.00						17,000,000.00	
Fujian Shangwei Testing Co., Ltd.	6,766,326.94	4,963,673.06					6,766,326.94	4,963,673.06
Guangdong CTI Forensic Identification Center	500,000.00						500,000.00	
Guangxi Hechi Pinsheng Biotechnology Co., Ltd.			30,000,000.00				30,000,000.00	
Guangzhou CTI Testing and Certification Technology Co., Ltd.	164,283,670.11		90,000,000.00				254,283,670.11	
Hainan CTI Technical Service Co., Ltd.			5,000,000.00				5,000,000.00	
Hangzhou Hua’an Testing Technology Co., Ltd.	87,155,300.00	142,054,700.00					87,155,300.00	142,054,700.00
How-To Enterprise Management Consulting (Shanghai) Co., Ltd.	37,071,000.61						37,071,000.61	
Hebei CTI Junrui Testing Technology Co., Ltd.	4,739,700.00			4,739,700.00				
CTI (Nantong) Automotive Technology Services Co.,	36,900,000.00						36,900,000.00	

Ltd.								
CTI Electronic Certification Co., Ltd.	71,000,000.00			71,000,000.00				
CTI engineering Testing Co., Ltd.	47,921,200.00			47,921,200.00				
CTI Guoruan Technology Services Nanjing Co., Ltd.	1,170,000.00						1,170,000.00	
Centre Testing International Beijing Co., Ltd.	50,000,000.00						50,000,000.00	
Centre Testing International Hubei Co., Ltd.	18,000,000.00			18,000,000.00				
CTI Holding (Hong Kong) Co., Ltd.	601,157,792.24		382,040,686.42				983,198,478.66	
CTI Pinbiao Energy Technology Services (Beijing) Co., Ltd.	2,402,100.00						2,402,100.00	
CTI Pindong Testing (Shanghai) Co., Ltd.	132,000,000.00						132,000,000.00	
CTI Commodity Inspection and Appraisal (Shenzhen) Co., Ltd.	984,300.00						984,300.00	
CTI VESP Testing Technology Co., Ltd.	319,570,034.74						319,570,034.74	
Jilin Anxin Food Technology Services Co., Ltd.	7,134,260.00		9,900,000.00				17,034,260.00	
Jiangsu Honghai Vehicle Testing Co., Ltd.			9,000,000.00				9,000,000.00	
Jiangxi Yingyong CTI Testing Co., Ltd.	4,990,000.00						4,990,000.00	
CTI Southern Pinbiao Testing (Shenzhen) Co., Ltd.	232,000,000.00		62,861,200.00				294,861,200.00	
Inner Mongolia CTI Quality Inspection Service Co., Ltd.	19,000,000.00						19,000,000.00	
Ningbo Weizhi Testing Technology Services Co., Ltd.	43,867,526.63						43,867,526.63	
Nosa Enterprise Consultancy (Shenzhen) Co., Ltd.			15,417,085.20				15,417,085.20	
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	
Shanghai CTI Pinchuang Medical Testing Co., Ltd.	319,546,000.00						319,546,000.00	
Shanghai CTI Pinzheng Testing Technology Co., Ltd.	377,000,000.00						377,000,000.00	
Shenzhen CTI Commodity Inspection Co., Ltd.	4,186,136.80						4,186,136.80	
Shenzhen CTI Private Equity Fund Management Co., Ltd.	20,000,000.00						20,000,000.00	
Shenzhen CTI Pest Management Co., Ltd.	2,333,546.93						2,333,546.93	
Shenzhen CTI Standard	200,000.00			200,000.00				

Material Research Institute								
Shenzhen CTI Standard Material Research Center Co., Ltd.	1,000,000.00						1,000,000.00	
Shenzhen CTI Testing Co., Ltd.	20,942,247.47						20,942,247.47	
Shenzhen CTI Training Center	2,002,600.30						2,002,600.30	
Shenzhen CTI Laboratory Technology Services Co., Ltd.	13,400,000.00						13,400,000.00	
Shenzhen CTI Information Technology Co., Ltd.	10,800,000.00						10,800,000.00	
Shenzhen Openview Information Consulting Co., Ltd.			23,116,118.00				23,116,118.00	
Shenyang CTI Testing Technology Co., Ltd.	18,500,000.00						18,500,000.00	
Sichuan CTI Testing Technology Co., Ltd.	10,000,000.00						10,000,000.00	
Sichuan CTI Jianxin Testing Technology Co., Ltd.	14,940,000.00			14,940,000.00				
Suzhou CTI Engineering Testing Co., Ltd.	7,500,000.00						7,500,000.00	
Suzhou CTI Testing Technology Co., Ltd.	190,000,000.00						190,000,000.00	
Tianjin CTI Certification Co., Ltd.	112,797,960.00		100,000,000.00				212,797,960.00	
Xipai Technology (Nanjing) Co., Ltd.	19,299,465.92						19,299,465.92	
Zhejiang CTI Yuanjian Testing Co., Ltd.	9,614,800.00		6,714,014.68				16,328,814.68	
Total	3,442,038,252.73	147,018,373.06	1,138,665,750.98	156,800,900.00			4,423,903,103.71	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												
CSSC Xi'an Dongyi Comprehensive Technology Laboratory Co., Ltd.	9,892,331.83				580,383.61						10,472,715.44	

Beijing Guoxin Tianyuan Quality Evaluation Certification Co., Ltd.	15,998,876.00				434,165.74			2,000,000.00			14,433,041.74	
Shanghai Fushenlan Software Co., Ltd.	70,872,096.09				1,041,522.15						71,913,618.24	
Beijing Zhuoshi Network Security Technology Co., Ltd.	78,664,997.70				13,766,461.49			5,506,582.20			86,924,876.99	
Zhejiang Fangyuan Electrical Equipment Testing Co., Ltd.	184,350,895.32				34,691,510.78			13,000,000.00			206,042,406.10	
Nanjing CTI Pharmaceutical Technology Service Co., Ltd.	1,110,642.04										1,110,642.04	
Subtotal	360,889,838.98				50,514,043.77			20,506,582.20			390,897,300.55	
Total	360,889,838.98				50,514,043.77			20,506,582.20			390,897,300.55	

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

4. Operating revenue and cost

Unit: CNY

Items	Amount incurred this period		Amount incurred in previous period	
	Revenue	Cost	Revenue	Cost
Main business	1,517,020,905.18	644,982,595.55	1,335,656,877.73	712,206,553.14
Other business	15,452,215.43	1,259,068.61	16,349,392.41	1,246,423.00
Total	1,532,473,120.61	646,241,664.16	1,352,006,270.14	713,452,976.14

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	299,910,404.00	246,287,151.01
Long-term equity investment incomes calculated with the equity method	50,514,043.77	42,097,065.45

Investment incomes from disposal of long-term equity investments	−1,604,151.73	−11,416,146.58
Financial management incomes	8,374,069.67	10,243,006.10
Investment incomes from disposal of other non-current financial assets		4,334,093.19
Others		67,000.00
Total	357,194,365.71	291,612,169.17

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	1,205,185.73	Profit and loss from disposal of fixed assets and investment revenues 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)	48,997,894.25	Government grants
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	14,609,931.16	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	10,545,914.45	Profit from financial products.
Reversal of impairment provision for accounts receivable that has been individually tested for impairment	535,733.49	
Other non-operating incomes and expenditures other than the above	1,443,182.43	
Less: Effect of income tax	8,976,748.10	
Effect of minority shareholders' interests (after-tax)	2,328,942.77	
Total	66,032,150.64	--

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	13.96%	0.6075	0.6075
Net profits attributable to the Company's common stock holders after deducting non-recurring profits and losses	13.05%	0.5681	0.5681

3. Differences in accounting data under domestic and overseas 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