廣東集信國控檢測認證技術服務中心股份有限公司

GUANGDONG SYNTRUST GK TESTING AND CERTIFICATION TECH SERVICE CENTER CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 8629

Interim Report 2026

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Contents

Glossary

In this report, unless the context otherwise requires, the following terms shall have the following meanings:

"Articles"	the articles of association of the Company, currently in force, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules
"Company"	Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd. (廣東集信國控檢測認證技術服務中心股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on GEM
"Director(s)"	the director(s) of the Company
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"Guangdong AMR"	Guangdong Administration for Market Regulation (廣東省市場監督管理局)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"H Share(s)"	ordinary shares in the share capital of the Company with a nominal value of RMB1.00, which are traded in HK dollars and listed on the Stock Exchange
"Listing"	the listing of the H Shares on GEM

Glossary

"Listing Date"	6 September 2024
"PRC" or "China" or "Mainland China"	The People's Republic of China excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan
"Prospectus"	the prospectus of the Company dated 26 August 2024 in connection with the Share Offer
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Unlisted Shares and the H Shares
"Share Offer"	the public offer and placing of the H Shares to investors in Hong Kong pursuant to the Prospectus
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"T&I"	testing and inspection
"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company with a nominal rate of RMB1.00, which are not listed on any stock exchange
"Xinyi City CEQS Center"	Xinyi City Construction Engineering Quality and Safety Affairs Center (信宜市建設工程質量安全事務中心), a public institution (事業單位) under the Xinyi City Bureau of Housing and Urban-Rural Development (信宜市住房和城鄉建設局) and the controlling Shareholder of the Company
"Xinyi Xinhui"	Xinyi City Xinhui State-owned Capital Investment Group Co., Ltd. (信宜市信匯國有資本投資集團有限公司), a limited liability company which is wholly-owned by Xinyi City Bureau of Finance (信宜市財政局) and a substantial Shareholder of the Company

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Lai Feng *(Chairman)*
Huang Fei
Mai Jiayu
Zhang Xihua

Non-executive Directors

Zou Chan
Chen Guangfu
(resigned on 31 December 2025, which took effect on 23 January 2026)
Liu Juemao
(appointed on 23 January 2026)

Independent Non-executive Directors

Liu Hongge
Deng Dian
Luo Qiling

REGISTERED OFFICE IN THE PRC

No. 1, Xinyi Avenue South
Dingbao Town, Xinyi City
Maoming City, Guangdong Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

COMPANY WEBSITE

www.xyjiance.cn

COMPANY SECRETARY

Ng Tung Ching Raphael *(FCG, HKFCG)*

AUTHORISED REPRESENTATIVES

Lai Feng
Ng Tung Ching Raphael *(FCG, HKFCG)*

BOARD COMMITTEES

Audit Committee

Liu Hongge *(Chairlady)*
Luo Qiling
Deng Dian

Remuneration Committee

Liu Hongge *(Chairlady)*
Luo Qiling
Deng Dian

Nomination Committee

Lai Feng *(Chairman)*
Luo Qiling
Liu Hongge

Corporate Information

H SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Loeb & Loeb LLP
2206–19 Jardine House
1 Connaught Place
Central, Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants and
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

China Construction Bank Corporation
Maoming Xinyi Chengzhong Sub-branch
No. 2 Xinshang Road
Xinyi City, Maoming
Guangdong Province, China

Management Discussion and Analysis

BUSINESS OVERVIEW

The Group is principally engaged in the provision of construction engineering T&I services, food and agricultural testing services, hydraulic engineering T&I services, and motor vehicle testing services in the PRC.

As at 30 June 2026, the Group had obtained accreditation in a total of 49 qualifications for testing and inspection services approved by the Guangdong Administration for Market Regulation under the Inspection and Testing Agency Qualification Certificate, covering construction engineering, product and material, food and agricultural items, motor vehicles, water conservancy, transportation engineering and other related testing, and the Group offers testing services with over 7,320 testing parameters within the scope of above qualifications.

MARKET REVIEW

1. Development trends in the industry in which the Group operates

(1) National policies facilitate the development of the testing and inspection industry

With the national "Rural Revitalisation Initiative" (鄉村振興) policy and Guangdong Province "Project for the High-Quality Development of Hundreds of Counties, Thousands of Towns and Tens of Thousands of Villages" (百縣千鎮萬村高質量發展工程) being implemented in depth, the economic vitality of tier 3 and below cities continues to strengthen, driving sustainable growth in the demand for independent T&I services. The market size of the independent T&I industry in Western Guangdong is anticipated to reach approximately RMB6.5 billion by 2028, with a CAGR of 12.7%, maintaining a steady growth. As a well-known T&I service provider in Maoming, the Group is well-positioned to capitalize on the business opportunities brought by the above-mentioned policies by leveraging its background as a state-owned inspection institution, which has a significant impact on the improvement of its performance.

In the field of hydropower and water conservancy T&I, the PRC government has continuously increased investment in water conservancy infrastructure in recent years. Based on the significant progress made during the 14th Five-Year Plan period, China will further advance the modernization of water conservancy and the improvement on the water resource allocation system so as to enhance flood control and drought resistance capabilities for the 15th Five-Year Plan period, which directly and continuously boosted the demand for hydropower and water conservancy T&I services. In the field of transportation engineering T&I, in 2026, the Ministry of Transport explicitly stated to deepen the reform of the comprehensive transportation system and fully advance the implementation of the 15th Five-Year Plan, with a focus on accelerating infrastructure upgrades, green transformation, and digital-intelligent empowerment. The state will focus on unclogging the "main arteries" of the comprehensive three-dimensional transportation network, pushing forward the connectivity of border trunk corridors and the full completion of high-speed railways along the Yangtze River, and advancing major projects including the new waterway channel for the Three Gorges and the Pinglu Canal, among which the Pinglu Canal is scheduled to commence navigation in September 2026, which is expected to further unleash demand for transportation infrastructure testing in Western Guangdong and surrounding regions. Meanwhile, the strategy of "building Guangdong into a province with robust transportation infrastructure" is being further implemented, with continuous progress made in major projects including expressways, railways and ports across the region. Coupled with the promotion of new energy heavy-duty trucks, the development of "artificial intelligence + transportation", the construction of multimodal transport systems and the rectification of cut-throat price competition under the unified market initiative, emerging testing scenarios such as green building materials and smart transportation facilities have been created, while state-owned testing institutions' strengths in professionalism and credibility can also be better highlighted. As a critical component of ensuring project quality and operational safety, transportation engineering testing is experiencing growing market demand.

The implementation of above policies will serve as a significant catalyst for the future business expansion of the Group in the water conservancy and transportation testing sectors, creating greater development opportunities for the Group.

(2) Competition in the testing and inspection industry is highly intense

Currently, there are a large number of construction engineering testing institutions in Western Guangdong, indicating an extremely competitive market environment. Some competitors have secured more advantageous positions in pricing, service models, market recognition and diversification of service offerings.

In the face of such intense competition, the Group needs to adjust its operating strategies and business models promptly. Through technological innovation, service quality enhancement and cost optimization and other measures, the Group can continuously improve its competitiveness and profitability.

(3) Diversification in inspection business

Currently, the T&I industry is exhibiting a clear trend of business diversification. With advancements in technology and evolving market demands, customers' demand for testing services is increasingly diversified and customized.

In order to meet market demand, the Group has in recent years actively promoted a diversified business layout through acquisitions, joint ventures and wholly-owned establishments. Currently, the Group has subsidiaries in multiple testing fields such as food, transportation, water conservancy, fire protection, motor vehicles and construction engineering, forming a comprehensive testing service system covering multiple fields. This move not only effectively diversifies the operational risks arising from fluctuations in a single industry cycle, but also enhances the Group's overall competitiveness and profitability through resource sharing and technical synergy among various segments. In the future, the Group will continue to strengthen segment synergy, in line with national policies and market development directions, and, on the basis of consolidating the existing testing market, actively explore new testing fields, to consolidate and enhance its leading position in the testing market of Western Guangdong.

2. Analysis of the core competitiveness of the Group

(1) Brand and credibility advantages

As the first listed company in Xinyi City and the first county-level state-owned listed enterprise in Eastern, Western and Northern Guangdong, the brand and credibility of the Group are pivotal to its development. Since its establishment, the Group has served as the primary technical support unit for the Xinyi City People's Government in managing construction engineering quality and safety. Upholding the values of "Integrity, Professionalism, Collaboration and Win-Win" and adhering to the service philosophy of "Science, Credibility, Accuracy and Excellence", the Group has established a strong presence in the regional market of Western Guangdong, committed to providing reliable and accurate T&I services to its customers. The comprehensive T&I capabilities, and market performance of the Group are in leading positions, particularly in Western Guangdong, which have enabled the Group to establish strong brand recognition and market influence within the industry.

(2) Advantages of an excellent management team and professional talent

The sustainable development of an enterprise depends on the growth of its team. The Group has a management team led by Mr. Lai Feng, which has over a decade of experience in the construction testing industry and is capable of quickly grasping industry development trends, promptly adapting to policy and industry changes, exhibiting effective synergy in strategic planning and strong execution capabilities.

The Group places high emphasis on the reserve of professional talent, leveraging its brand influence to attract a group of qualified mid-to-senior engineers, including 24 seasoned senior engineers. The team members not only possess extensive testing experience but also profound professional knowledge, with their areas of expertise covering multiple fields including construction engineering testing, motor vehicle testing and fire protection testing. The team also includes key technical backbones holding professional qualifications such as Intermediate Level Automotive Testing Technical Engineer, Level 1 Registered Structural Engineer, Registered Geotechnical Engineer, Level 1 Registered Fire Protection Engineer and Intermediate Registered Safety Engineer. The Group has obtained a total of 485 Training Certificates issued by the Guangdong Association for Quality and Safety Testing and Appraisal of Construction Projects, a total of 60 Steel Structure Testing Certifications and other testing certifications covering multiple categories including welds, forgings, sheets, profiles, plates, bars, strips and castings awarded by the Chinese Mechanical Engineering Society for Non-Destructive Testing (NDT), a total of 47 Highway and Waterway Testing Engineer Qualifications granted by the Vocational Qualification Center of The Ministry of Transport, and a total of 35 Water Conservancy Engineering Quality Inspection Qualifications. Such diversified and comprehensive qualification system enables the team to provide comprehensive and precise testing services to customers.

(3) *Technological research and development advantages*

The Group places significant emphasis on technological research and development, and has achieved a series of independent innovation outcomes in the intelligent testing sector in recent years. In 2020, the Group successfully developed the Testing and Inspection Information Artificial Intelligent Management System V1.0, which was awarded a Computer Software Copyright Registration Certificate by the National Copyright Administration. To further enhance the performance of the system, the Group continuously optimized it and upgraded it to V2.0 version in early 2024. This upgrade achieved real-time, on-site, and error-free management of business ledgers, fully meeting the diverse needs of modern office environments for paperless, process-driven, data-driven, mobile, and intelligent operations. In 2023, the Group independently developed the first unmanned smart construction laboratory in the PRC, realizing unmanned and fully automated T&I. In addition, in 2024, the Group has also independently developed a material delivery pallet for construction material testing, the Pile Foundation Bearing Capacity Testing System V1.0, and the Concrete Quality Testing System V1.0, all of which have obtained national patents or computer software copyright registration certificates. In 2025, a public road deflection detection method, a steel bar weighing and length measuring device, a laser marking device, a steel bar placement frame, a slope crack monitoring method and system based on grayscale and using illumination compensation, as well as a steel bar spacing measuring device and a steel bar spacing measuring method, also obtained national patent certificates. In 2026, the Group obtained a national patent certificate for a mobile robot. In the same year, the Company had been officially awarded the titles of “High and New Technology Enterprise”, “Doctoral Workstation” and “Engineering Technology Research Center for Intelligent Non-destructive Testing in Construction Engineering”. During 2026-2027, the Group will carry out a comprehensive architectural upgrade of the existing information intelligent management system, break down data barriers among multiple business systems, achieve online reporting, digitize business management data, and gradually begin to develop the application of localized AI Agents to enhance business efficiency. The Group has also established collaborative relationships with colleges to jointly conduct technical research and achievement transformation, continuously enhancing the Group’s technical capabilities and service standards.

(4) *Customer resource advantages*

Over the years, the Group has established a solid market position and a broad customer base in Maoming. Our customer base primarily consists of private and public sector entities, such as property developers and construction companies, state-owned investment companies, relevant PRC government institutions and PRC government administrative bureaus. The Group is capable of providing customized service solutions tailored to the specific circumstances and needs of different customers, helping them improve product quality and market competitiveness.

(5) Diversified service advantages

Building on its established strengths in original construction testing, the Group has implemented a service diversification strategy. In terms of food and agricultural testing, the Group has obtained the qualification certificate for agricultural product quality and safety testing institutions (CATL), covering 242 testing parameters, and established a wholly-owned subsidiary for food and agricultural product testing in November 2025. In the area of building inspection, the Group has focused on the housing appraisal business and has made significant progress. In terms of highway engineering, the Group obtained a Class C qualification certificate for highway engineering in 2025 and established a non-wholly owned subsidiary in November of the same year to provide T&I services for highway and waterway engineering. Currently, the subsidiary is relying on accumulated project experience and technical capabilities to actively prepare for the application for Class B Highway Engineering Qualification to continuously enhance its service capability level in traffic engineering T&I services. In terms of fire protection testing, the Group established a wholly-owned subsidiary in August 2025 to deploy fire protection T&I business; currently, businesses such as fire protection facility maintenance and elevator maintenance have been gradually launched, while qualifications for fire material testing and safety assessment are being actively prepared. Based on this, the Group will rely on its advantages in technical accumulation, market reputation and state-owned enterprise background to continuously provide customers with highly credible services.

As at 30 June 2026, the Group possesses testing qualifications covering over 7,320 testing parameters (covering food, construction, transportation and other sectors) across 49 categories, making it one of the most qualified testing institutions in Maoming, capable of meeting the increasingly diversified service needs of its customers.

Looking ahead, the Group will build upon its construction engineering T&I and food testing businesses, leveraging its established comprehensive service network in transportation, hydraulic, motor vehicle, fire protection, elevator testing and hoisting and transportation to further explore cross-selling potential and expand its customer base. This will enhance the Group's resilience to ensure long-term stable operations, and achieve sustained growth through diversified businesses.

Management Discussion and Analysis

BUSINESS REVIEW

1. Introduction of major business

As at 30 June 2026, the Group has expanded its major business to include housing appraisal services. The Group has been committed to providing comprehensive and high-quality T&I services to our customers, mainly covering construction engineering T&I services, food and agricultural testing services, hydraulic engineering T&I services and motor vehicle testing services.

The Group's diversified service portfolio enables it to meet the diverse needs of different customer groups, including private and public sector entities, such as property developers, construction companies, state-owned investment companies, PRC government institutions and PRC government administrative bureaus.

As at 30 June 2026, the Group had obtained accreditation in a total of 49 categories for T&I services relating to construction engineering, product and material testing, food and agriculture, motor vehicle, hydraulic and transportation engineering, which fully demonstrates a high level of professionalism, a satisfactory industry reputation, and strong market competitiveness.

(1) Construction Engineering Testing Services

Construction engineering testing services business focuses on offering comprehensive and professional testing services for various construction projects in order to ensure the quality and safety of the projects.

The major business includes foundation testing services, which evaluate the bearing capacity of foundation and integrity of pile foundation so as to ensure the stability of construction foundation; infrastructure and public roads testing services, which cover the testing of roads, bridges, tunneling and other public facilities to ensure their use performance and durability; construction material testing, which analyzes the physical and chemical properties of construction materials such as concrete, steel and asphalt to ensure that the materials comply with standard requirements; building structure testing, which assesses the safety of the overall structure of buildings, including the diagnosis of cracks, deformations and other problems; product and material testing services, which are dedicated to offering comprehensive and professional testing services for various industry products and construction materials to ensure that their quality, performance, and safety comply with national standards and industry norms. The building safety assessment services mainly cover condition surveys, current status inspections, reliability assessments (including safety and serviceability assessments), dilapidated building assessments, seismic assessments, and construction quality assessments. The scope of material testing mainly encompasses building materials, metal products (including structural metal products and other metal products), daily-use chemical products (such as paints), ceramic products (like architectural ceramics), and electrical & electronic products (including low-voltage equipment, wires & cables, and electrical accessories).

By carrying out systematic testing and assessment of the physical properties, chemical composition, mechanical strength, durability, and safety of materials, the Group provides customers accurate testing data and reports, facilitating the improvement of product quality and enhancement of market competitiveness.

(2) ***Construction Engineering Inspection Services***

Construction engineering inspection services mainly include slope monitoring and foundation pit monitoring services. Foundation pit monitoring involves regular or continuous inspections, measurements, monitoring, data collection, analysis, and feedback activities implemented during the construction and usage phases of an excavation pit in a building project to assess the safety condition, changes, characteristics, and development trends of the pit and its surrounding environment. This is done through various means and methods, including instrument measurements, on-site inspections, and other techniques to ensure the safety of the excavation pit and its surroundings.

Slope monitoring involves measurements, monitoring, data collection, analysis, and feedback activities carried out during the construction, trial operation, and operational phases of a building slope to assess the safety condition, changes, characteristics, and development trends of the slope. Various means and methods, such as instrument measurements, are employed.

By providing slope and foundation pit monitoring services, we ensure the comprehensive evaluation of slope conditions, foundation pit stability, and early detection of potential risks. These monitoring services contribute significantly to the safety and success of construction projects by facilitating timely interventions, minimising hazards, and maintaining the structural integrity of slopes and foundation pits.

Slope monitoring and foundation pit monitoring are normally required in the stage of excavation of foundation pit and backfilling of earthworks during a building construction project. They may also be required throughout certain infrastructure projects.

(3) Hydraulic Engineering T&I Services

On 16 April 2025, the Company entered into a capital increase agreement with Maoming Yueshui Engineering Testing and Inspection Co., Ltd. ("**Yueshui Testing**") and Nanyue Hydraulic and Hydropower Planning, Survey and Design Co., Ltd.* (茂名市南粵水利水電規劃勘測設計有限公司) ("**Nanyue Hydraulic**") to subscribe for a 51% enlarged registered capital of Yueshui Testing at a consideration of RMB9.33 million (the "**Capital Increase Agreement**"). The market supervision change registration procedures were completed on 4 June 2025. Upon completion of the capital increase, the Group and Nanyue Hydraulic hold 51% and 49% equity interests in Yueshui Testing respectively, aiming to integrate resources, expand market share and strengthen competitiveness in related fields.

Hydraulic engineering T&I services are a core link in ensuring the structural safety, functional stability, and long-term durability of engineering projects, covering the entire lifecycle quality supervision from raw material entry, construction process control, completion acceptance to operation and maintenance. Yueshui Testing, on the basis of two Class B qualifications in concrete engineering and geotechnical engineering, has newly added three Class B specialised qualifications in metal structures, measurements, and mechanical and electrical, and now holds a total of five Class B qualifications.

Leveraging Yueshui Testing's business network and technical advantages, the Group will be able to strengthen its key service capabilities, which include: (i) raw material testing (such as steel bars, cement, fly ash, filling materials, gabion nets, geotextiles, geogrids, sand and gravel aggregates, block stones, concrete mixtures, mortar mixtures, bricks, asphalt, etc.); (ii) intermediate product testing (such as concrete specimens, mortar specimens, steel bar welded joints, precast concrete components, etc.); (iii) material testing (such as filled soil, rockfill, stone masonry, concrete, foundations, foundation piles, cross-sectional measurement review, metal structures, mechanical and electrical equipment, etc.); and (iv) routine and specialized testing within the scope of various professional qualifications. These testing services can effectively prevent engineering hidden dangers, such as leaks, cracks, and settlement, ensure the safe operation of key facilities such as dams, power stations, and channels, and provide scientific support for the entire lifecycle management of major hydraulic engineering projects, thereby comprehensively improving the Group's operational efficiency and profitability and promoting long-term strategic development.

(4) Food and Agricultural Products Testing Services

The food and agricultural products testing department focuses on offering comprehensive testing services for the food industry to ensure food safety and quality in accordance with applicable national standards.

The main services include testing of physical and chemical properties, additives, pesticides and veterinary drug residues, hazardous substances, elements, microbiology, toxins and other substances in food products, using both quantitative testing and rapid testing methods.

Quantitative testing efficiently and accurately determines the levels of target substances in samples through high-end devices and equipment, such as gas chromatography-mass spectrometry system, liquid chromatography-mass spectrometry system, liquid chromatography, gas chromatography and inductively coupled plasma mass spectrometer.

Rapid testing employs multi-functional pesticides and veterinary drug residue detectors and other technologies to carry out initial screening of batches of samples, enabling a rapid assessment of whether target substances comply with national standards and significantly enhancing testing efficiency.

The Group is entrusted by a PRC government administrative bureau responsible for food safety supervision to undertake tasks, such as rapid testing in urban farmers' markets and special food safety sampling at the county level, to provide technical support for food safety supervision.

In order to further enhance its testing capabilities, the Group has acquired testing equipment, such as advanced gas, liquid chromatographs and inductively coupled plasma mass spectrometer, to conduct comprehensive analysis and testing of ingredients like pesticides, veterinary drugs and antibiotics, significantly improving the accuracy and efficiency of testing.

(5) Motor Vehicle Related Testing Services

On 5 August 2025, the Company and Xinyi City Bureau of Finance entered into an equity transfer agreement to acquire 100% equity interests in Xinyi Rongli Motor Vehicle Testing Co., Ltd. ("**Rongli Testing**") at a consideration of RMB12.57 million, with relevant industrial and commercial change registration completed on 27 August 2025. Upon completion of the acquisition, Rongli Testing became a wholly-owned subsidiary, which is beneficial to the Group in integrating regional resources, expanding market coverage, as well as further enhancing its overall competitiveness in terms of motor vehicle testing.

Motor vehicle inspection and testing is a crucial link for ensuring vehicle operational safety, preventing road traffic safety risks, and safeguarding the public's travel safety. The Group has always adhered to the principles of scientific testing, standardized services and strict quality control, and is committed to providing technical support for maintaining road traffic order, ensuring public safety, and promoting the healthy and orderly development of the motor vehicle industry.

Through this acquisition, the Group may integrate Rongli Testing's technical and business resources in safety technology inspection, exhaust emission testing and comprehensive performance testing, continuously optimize testing processes, shorten customer waiting time, and improve testing transparency and service efficiency, thereby further enhancing its public service capabilities and overall operational efficiency. This will also lay a solid foundation for the Group's long term strategic development and help enhance overall profitability and market influence.

(6) Fire Protection Testing Business

On 19 August 2025, the Company established a wholly-owned subsidiary, Syntrust GK Safety Assessment and Fire Protection (Maoming) Co., Ltd., with a registered capital of RMB8.00 million. Its core businesses consist of maintenance, servicing and testing of building fire protection facilities, fire safety assessments, installation, repair and testing of elevators, safety evaluation services (of the petroleum processing industry, chemical raw materials, chemical products and pharmaceutical manufacturing industry), and fire resistance testing of materials and components. As at the date of this report, businesses such as fire protection facility maintenance and elevator maintenance have been progressively launched, while qualifications for fire-protection material testing and safety evaluation are under active preparation.

(7) Transportation Engineering Testing Services

On 17 November 2025, the Company jointly established Jixin Guokong Traffic Inspection, Testing and Certification (Maoming) Co., Ltd.* (集信國控交通檢測檢驗認證(茂名)有限公司) ("**Traffic Inspection**") with Maoming Kexing Highway Construction Supervision Co., Ltd.* (茂名市科興公路建設監理有限公司), with the Company contributing RMB2.55 million and Maoming Kexing Highway Construction Supervision Co., Ltd. contributing RMB2.45 million. The Company and Maoming Kexing Highway Construction Supervision Co., Ltd. hold 51% and 49% equity interests in Traffic Inspection, respectively. The joint venture is established to integrate resources, expand market share and enhance the comprehensive competitiveness in the transportation infrastructure sector.

Highway and waterway engineering T&I services are a core link in safeguarding the quality safety, structural stability, construction compliance and long-term operational durability of transportation infrastructure projects, covering the entire lifecycle quality supervision from verification of raw material entry, quality control during construction, acceptance of sub-projects, completion acceptance to post-completion maintenance monitoring. The Company has obtained Class C Highway Engineering Qualification under the Quality Inspection of Highway and Waterway Engineering, while Traffic Inspection has set the obtaining of a Class B Highway Engineering Qualification under the Quality Inspection of Highway and Waterway Engineering as its phased objective, and is currently devoting full efforts to advancing the preparation and application for such qualification.

The planned business scope of Traffic Inspection covers: (i) testing of engineering raw materials (such as soil, coarse and fine aggregates, rock, cement, admixtures, additives, cement concrete, mortar, asphalt and various raw materials for subgrade and pavement); (ii) testing of intermediate products (such as concrete specimens, mortar specimens, welded reinforcement joints, etc.); (iii) testing of engineering structures (such as subgrade compaction, pavement performance, foundation pits, ground and foundation piles, traffic safety facilities, etc.); and (iv) routine testing services within the scope of Class B Highway Engineering Qualification. Upon approval of the qualification, Traffic Inspection will conduct testing services in accordance with applicable laws and regulations, effectively identify engineering hidden dangers including subgrade settlement, pavement damage, substandard materials and construction workmanship defects, safeguard the construction quality and operational safety of highways, bridges, tunnels, waterways, wharves and other transportation infrastructure, and provide scientific, accurate and compliant technical data support for the construction of major regional transportation projects. The joint establishment of the professional testing company effectively fills the Group's gap in highway and waterway testing business, further consolidates regional industrial resources, expands market share, strengthens the core competitiveness in the transportation infrastructure sector, continuously improves the overall operational quality and profitability of the Group, and facilitates the sustainable, large-scale, specialized and standardized development of the Group's engineering technical services business.

2. Analysis of business competitiveness

Throughout the years, the Group has been continuously providing a full range of construction engineering T&I services, which include foundation testing, infrastructure and public roads testing, construction material testing, building structure testing, slope monitoring and foundation pit monitoring services, as well as housing appraisal services. The diversified service offering has allowed the Group to meet the diverse needs of different customer groups, including private and public sector entities, such as property developers, construction companies, state-owned investment companies, PRC government institutions and PRC government administrative bureaus.

This comprehensive coverage demonstrates the Group's ability to deliver thorough and precise assessments, meeting the varied requirements of its customers and ensuring compliance with industry standards. In particular, the Group's static load testing capacity for the Group's foundation testing services has reached 35,000 kN. According to the statistics set out in the Prospectus, among the top five construction engineering testing and inspection services providers in Maoming, only two of them, including the Group, have obtained such qualification. The Group is also one of the few testing and inspection institutions capable of implementing a fully automated process in its slope monitoring. With its capability of providing a wide spectrum of services, the Group is able to meet the needs of its existing customers and develop new customers, solidifying its market presence and diversifying revenue streams.

The food and agricultural products testing department focuses on offering comprehensive testing services for the food and agricultural industry to ensure that the safety and quality of food and agricultural products comply with the applicable national standards. The Group provides food testing for quality control and traceability in Xinyi City as well as market rapid testing services and generated revenue of approximately RMB4.34 million from the provision of food and agricultural products testing services for the six months ended 30 June 2026. The Group has obtained testing qualifications for 1,599 parameters across seven categories in respect of three fields of food and agricultural product testing. The main services include testing of physical and chemical properties, additives, pesticides and veterinary drug residues, hazardous substances, elements, microbiology and toxins in food products. The Group has further cooperated with the market supervision authorities to carry out regular sampling testing on products across the entire circulation, catering and production chains, effectively safeguarding the safety and quality of food and ensuring compliance with the applicable national standards. These initiatives fully demonstrate the Group's strategic direction of focusing on the development of the food and agricultural products testing business.

3. **Updates Relating to Qualification Requirements of the Testing and Inspection of Construction Engineering Quality Inspection Agencies**

The Administrative Measures for the Quality Inspection of Construction Engineering (《建設工程質量檢測管理辦法》) promulgated by the Ministry of Construction on 28 September 2005 which was re-promulgated by the Ministry of Housing and Urban-Rural Development (the "**MOHURD**") on 29 December 2022 and became effective on 1 March 2023, and the Notice of the Ministry of Housing and Urban-Rural Development on Issuance of Qualification Standards of Construction Engineering Quality Inspection Agencies (《住房和城鄉建設部關於印發〈建設工程質量檢測機構資質標準〉的通知》) issued and implemented by the MOHURD on 31 March 2023, stipulate that the construction engineering quality inspection agencies are required to obtain the appropriate qualification certificates to engage in the quality inspection business in accordance with the regulations and set out the qualification requirements of the inspection agencies and personnel, as well as the functions and scope of supervision of the relevant regulatory authorities.

On 21 October 2024, the Guangdong Provincial Department of Housing and Urban-Rural Development issued the Notice of the Guangdong Provincial Department of Housing and Urban-Rural Development on Preparation for Relevant Matters Concerning the Qualification Approval of Construction Engineering Quality Testing Institutions (《廣東省住房和城鄉建設廳關於做好建設工程質量檢測機構資質審批有關事項準備的通知》), pursuant to which (i) if the validity period of the qualification certificate of construction engineering quality inspection institutions issued by Guangdong Province under previous qualification standards expires on or after 31 October 2024, it shall be uniformly extended to 31 October 2025; and (ii) inspection agencies that have obtained qualification certificates in Guangdong Province under previous qualification standards shall apply for re-assessment in accordance with the Qualification Standards of Construction Engineering Quality Inspection Agencies (《建設工程質量檢測機構資質標準》) prior to 31 October 2025.

Following the issuance of the above documents, the Guangdong Provincial Department of Housing and Urban-Rural Development issued to the Company the "Construction Engineering Quality Testing Institution Qualification Certificate" (Yue) Jian Jian Zhuan Zi No. 20250053 ((粵)建檢專字第20250053號《建設工程質量檢測機構資質證書》) on 22 July 2025, with the specialised testing scope including (i) building materials and components, (ii) main structure and decoration, (iii) steel structures, (iv) foundation, (v) building energy-saving, (vi) municipal engineering materials and (vii) road works.

FINANCIAL REVIEW

Revenue Breakdown by Type of Services

The Group generated revenue primarily from the provision of construction engineering testing and inspection services. The following table sets forth the breakdown of revenue for the Group's revenues by types of services for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	%	RMB'000	%
Construction engineering testing services				
Foundation testing service	**18,409**	**39.2**	9,699	38.9
Construction material testing service	**4,399**	**9.4**	2,522	10.1
Building structure testing service	**3,068**	**6.5**	1,391	5.5
Infrastructure and public roads testing service	**6,710**	**14.3**	3,070	12.3
Housing appraisal services	**1,014**	**2.2**	–	–
Sub-total	**33,600**	**71.5**	16,682	66.8
Construction engineering inspection services				
Slope monitoring and foundation pit monitoring services	**1,412**	**3.0**	1,228	4.9
Food and agricultural testing services	**4,342**	**9.2**	5,134	20.6
Hydraulic engineering testing services	**3,686**	**7.8**	1,798	7.2
Motor vehicle testing services	**3,222**	**6.9**	–	–
Other business	**735**	**1.6**	116	0.5
Total	**46,997**	**100.0**	24,958	100.0

Revenue generated from the provision of construction engineering testing services for the six months ended 30 June 2026 increased by 101.4% to RMB33.6 million (for the six months ended 30 June 2025: RMB16.68 million), primarily due to the revenue arising from newly consolidated companies.

Revenue generated from the provision of construction engineering inspection services increased by 14.6% to RMB1.41 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB1.23 million), primarily due to normal business fluctuations.

Revenue generated from the provision of food and agricultural products testing services decreased by 15.4% to RMB4.34 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB5.13 million), primarily due to normal business fluctuations, with certain testing projects being deferred to the second half of the year.

Revenue generated from the provision of hydraulic engineering testing services increased by 105% to RMB3.69 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB1.80 million), primarily due to the fact that Yueshui Testing was consolidated from May 2025, and only two months of revenue was recognised in the first half of 2025.

Revenue generated from motor vehicle testing amounted to RMB3.22 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil), primarily due to the fact that Rongli Testing was consolidated from September 2025, and no consolidated revenue was recognised for the first half of 2025.

Revenue generated from the provision of other services increased by 516.7% to RMB0.74 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB0.12 million), primarily due to the revenue arising from newly consolidated companies.

Cost of Sales

Cost of sales increased by 77.3% to RMB21.49 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB12.12 million), mainly attributable to an increase in costs arising from newly consolidated companies.

Gross Profit and Gross Profit Margin by Type of Services

The following table sets out the gross profit and the gross profit margin by product category for the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June					
	2026		2025			
	Gross profit/ (loss) RMB'000	Gross profit/ (loss) margin %	Gross profit RMB'000	Gross profit margin %	Increase/ (Decrease) in gross profit %	Increase/ (Decrease) in gross profit margin % point
Construction engineering testing services						
Foundation testing service	**14,859**	**80.7**	7,587	78.2	95.8	2.5
Construction material testing service	**626**	**14.2**	(197)	(7.8)	–	22.0
Building structure testing service	**1,687**	**55.0**	503	36.2	235.4	18.8
Infrastructure and public roads testing service	**3,707**	**55.2**	1,658	54.0	123.6	1.2
Housing appraisal services	**632**	**62.3**	–	–	–	62.3
Sub-total	**21,511**	**64.0**	9,551	57.3	125.2	6.7
Construction engineering inspection services						
Slope monitoring and foundation pit monitoring services	**861**	**61.0**	(6)	(0.5)	–	61.5
Food and agricultural testing services	**256**	**5.9**	1,691	32.9	(84.9)	(27.0)
Hydraulic engineering testing services	**1,948**	**52.8**	1,507	83.8	29.3	(31.0)
Motor vehicle testing services	**682**	**21.2**	–	–	–	21.2
Other business	**251**	**34.1**	95	81.9	164.2	(47.8)
Total	**25,509**	**54.3**	12,838	51.4	98.7	2.9

Management Discussion and Analysis

The Group's overall gross profit margin increased to 54.3% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 51.4%). The increase in the overall gross profit margin was mainly due to the dilution effect on fixed costs arising from an increase in revenue.

Other Income

For the six months ended 30 June 2026, the Group recorded other income of RMB0.50 million (for the six months ended 30 June 2025: RMB0.36 million). Other income and gain consisted primarily of interest income and exchange gains.

Administrative Expenses

For the six months ended 30 June 2026, the Group's administrative expenses amounted to approximately RMB14.86 million (for the six months ended 30 June 2025: RMB6.88 million), representing approximately 31.6% (for the six months ended 30 June 2025: 27.6%) of the Group's total revenue. The increase in administrative expenses was mainly attributed to an increase in expenses arising from newly consolidated companies.

Impairment Losses on Financial Assets at Amortised Cost, net

For the six months ended 30 June 2026, the Group's impairment in financial assets at amortised cost amounted to approximately RMB1.86 million (for the six months ended 30 June 2025: RMB1.64 million), mainly attributable to an increase in impairment arising from newly consolidated companies.

Finance Costs

The total finance costs of the Group for the six months ended 30 June 2026 amounted to approximately RMB0.88 million (for the six months ended 30 June 2025: RMB0.75 million). The increase in finance costs was mainly due to an increase in finance costs arising from newly consolidated companies.

Income Tax Expenses

Income tax provision of the Group for the six months ended 30 June 2026 was approximately RMB1.39 million (for the six months ended 30 June 2025: RMB1.39 million).

Profit and Total Comprehensive Income and Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

As a result of the foregoing, the profit and total comprehensive income for the six months ended 30 June 2026 was approximately RMB4.56 million (for the six months ended 30 June 2025: RMB1.89 million), representing an increase of 141.3% over last year.

The Group's earnings per share attributable to ordinary equity holders of the parent were approximately RMB0.09 for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB0.04).

Property, Plant and Equipment

As at 30 June 2026, the property, plant and equipment amounted to RMB49.02 million (31 December 2025: RMB40.39 million). The increase was mainly attributable to an increase in newly consolidated companies.

Dividend

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

Right-of-Use Assets

As at 30 June 2026, the right-of-use assets amounted to RMB46.04 million (31 December 2025: RMB45.29 million). The increase was attributable to an increase in newly consolidated companies.

Deferred Tax Assets

As at 30 June 2026, the deferred tax assets amounted to RMB2.41 million (31 December 2025: RMB1.94 million). The increase was mainly attributable to an increase in provision for bad debts.

Inventories

As at 30 June 2026, the inventories amounted to RMB6.51 million (31 December 2025: RMB4.21 million). The increase was mainly attributable to an increase in inventories as newly consolidated companies carry out on-site testing business.

Trade Receivables

The trade receivables of the Group primarily represent amounts receivable from customers. As at 30 June 2026, the trade receivables amounted to RMB90.72 million (31 December 2025: RMB76.84 million).

The number of turnover days of trade receivables was 323 days (2025: 281 days). For the six months ended 30 June 2026, the trade receivables turnover days increased, mainly due to increases in revenue and trade receivables arising from newly consolidated companies.

Prepayments and other Receivables

As at 30 June 2026, the prepayments and other receivables amounted to RMB20.44 million (31 December 2025: RMB9.30 million). The increase was mainly attributable to an increase in prepayments arising from newly consolidated companies' purchase of instrument and equipment and factory renovation.

Time Deposits

As at 30 June 2026, the Group did not have any time deposits (31 December 2025: Nil).

Cash and Cash Equivalents

As at 30 June 2026, the cash and cash equivalents amounted to RMB90.52 million (31 December 2025: RMB101.69 million). The decrease was mainly attributable to purchase and construction of long-term assets and acquisition of equity interests.

Trade Payables

The trade payables of the Group primarily represent amounts payable to suppliers and subcontractors. As at 30 June 2026, the trade payables amounted to approximately RMB8.82 million (31 December 2025: RMB8.43 million). The increase in trade payables was mainly attributable to the increase in subcontracting.

The number of turnover days of trade payables for the six months ended 30 June 2026 was 73 days (2025: 83 days). The decrease was mainly attributable to an increase in costs arising from newly consolidated companies.

Liquidity, Financial Resources and Capital Structure

The Group's primary sources of operating funds are cash flow from operating activities. As at 30 June 2026, the Group's current ratio was 4.1 (31 December 2025: 5.3). The Group maintained a net cash position, reflecting its healthy financial condition, paving the way for future development. The gearing ratio (calculated as net debt divided by the adjusted capital plus net debt) is not applicable as the Group had a net surplus of RMB51.15 million as at 30 June 2026 (31 December 2025: net surplus of RMB75.17 million).

As at 30 June 2026, the Group's total cash and cash equivalents amounted to approximately RMB90.52 million (31 December 2025: RMB101.69 million).

Treasury Policy

The Group has adopted a prudent treasury policy and maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the liquidity position to ensure that the asset-liability structure is sufficient to cater for contingent needs.

Foreign Exchange Risk

The Group has transactional currency exposures as certain payables and cash and cash equivalents are held in currencies other than the Group's functional currencies. The foreign exchange risk mainly arises from the exposure of RMB against Hong Kong dollars and United States dollars for certain other payables.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital Commitments

Capital commitment of the Group as at 30 June 2026 of RMB2.55 million was primarily related to the purchase of instruments and equipment (31 December 2025: Nil).

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2026 (30 June 2025: Nil).

Charge of Assets

None of the Group's assets were pledged as at 30 June 2026 (30 June 2025: Nil).

Interest Rate Risks

The Group has no significant interest-bearing liabilities during the six months ended 30 June 2026 (30 June 2025: Nil). The fair value interest rate risk that arises from financial assets and liabilities carried at fixed rates is not significant for the Group.

Significant Investments and Acquisitions

During the six months ended 30 June 2026, the Group did not have any significant investment (30 June 2025: Nil).

Material Acquisitions or Disposals of Subsidiaries, Associates or Joint Ventures

Save as disclosed in Note 15 to the interim condensed consolidated financial information, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and the announcement of the Company dated 31 December 2025 in relation to the change in use of proceeds, the Group does not have any other plans for material investments or capital assets in the coming year. The Group may also identify acquisition opportunities which may contribute to the Group's future growth. The Company will continue to keep its shareholders (the "**Shareholders**") and potential investors abreast of any relevant material developments by making further announcement(s) as and when appropriate in accordance with the requirements under the GEM Listing Rules.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had 362 employees (30 June 2025: 115 employees).

The Group's employee benefit expenses mainly include salaries, discretionary bonuses, housing, medical insurance and other social insurance. During the six months ended 30 June 2026, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately RMB20.72 million (for the six months ended 30 June 2025: RMB8.66 million). Remuneration is determined generally with reference to the qualification, experience and work performance of the relevant employee, whereas the payment of discretionary bonus is generally subject to work performance of the relevant employee, the financial performance of the Group and general market conditions.

USE OF PROCEEDS FROM THE SHARE OFFER

The Company was listed on GEM in September 2024. The net proceeds from the public offer and placing of the H Shares to investors in Hong Kong (the "**Share Offer**") pursuant to the prospectus of the Company dated 26 August 2024 in connection with the Share Offer (the "**Prospectus**"), after deducting listing-related expenses, amounted to approximately RMB49.96 million (equivalent to approximately HK$54.4 million) (the "**Net Proceeds**"). These proceeds were originally intended to be utilised over the three-year period from September 2024 to December 2026.

Reference is made to the announcement of the Company dated 31 December 2025 (the "**Announcement**") and the circular of the Company dated 5 January 2026 (the "**Circular**"). On 31 December 2025, the Board resolved to change the use of the unutilised Net Proceeds from the Share Offer. The revised use of proceeds was approved by the Shareholders of the Company by way of ordinary resolutions at the extraordinary general meeting held on 23 January 2026. The change in use of the unutilised Net Proceeds was primarily driven by the Group's business development strategy, taking into account evolving regulatory requirements and market conditions in the testing and inspection industry in the PRC. For details, please refer to the Announcement and the Circular. Pending utilisation, the unutilised Net Proceeds have been placed as interest-bearing deposits with banks in the PRC.

During the six months ended 30 June 2026, the Group applied the Net Proceeds in accordance with the intended purposes and allocations as disclosed in the Prospectus and as subsequently revised pursuant to the Announcement and the Circular.

Management Discussion and Analysis

As disclosed in the Announcement and the Circular, certain unutilised Net Proceeds were reallocated among the business objectives described in the Prospectus. The table below sets out the utilisation of the Net Proceeds as at 30 June 2026 after taking into account the approved reallocation of the unutilised Net Proceeds.

Business objective	Original allocation of Net Proceeds as disclosed in the Prospectus (RMB'000)	Balance of unutilised Net Proceeds as at 31 December 2025 (RMB'000)	Balance of unutilised Net Proceeds immediately prior to the Change in Use of Proceeds (RMB'000)	Revised allocation of unutilised Net Proceeds following the Change in Use of Proceeds (RMB'000)	Net Proceeds utilised during the six months ended 30 June 2026 (RMB'000)	Balance of unutilised Net Proceeds as at 30 June 2026 (RMB'000)	Expected timeline for utilising the unutilised Net Proceeds
Expanding the construction engineering testing services to achieve Comprehensive Qualification under the Qualification Standards of Construction Engineering Quality Inspection Agencies and strengthen the existing construction engineering testing and inspection services	13,728.9	11,430.3	11,430.3	1,876.8	–	1,876.8	By 31 December 2026
Strengthening the existing market presence in Maoming and expanding the service footprint into the 3rd to 5th tiers cities in Western Guangdong	13,868.4	5,602.7	5,602.7	23,557.3	23,557.3	–	N/A
Diversifying the testing and inspection services beyond construction engineering and expanding into areas including food and agricultural, transportation and fire protection	18,667	18,027.1	18,027.1	10,386.2	8,000.0	2,386.2	By 31 December 2026
Upgrading the ERP system	2,755.2	1,957.2	1,957.2	1,197.0	–	1,197.0	By 31 December 2026
General working capital	936.3	465.7	465.7	465.7	465.7	–	N/A
Total	49,955.9	37,483.0	37,483.0	37,483.0	32,023.0	5,460.0	

Management Discussion and Analysis

PROSPECTS

Market Outlook

1. *Comparison between business objectives and actual business progress*

The following is a comparative analysis of the business objectives set out in the prospectus dated 26 August 2024 (the "**Prospectus**") of the Company and actual business progress of the Group from the listing date to the six months ended 30 June 2026:

Business strategies set out in the Prospectus	Actual business progress as at 30 June 2026
Expanding our construction engineering testing services to achieve Comprehensive Qualification under the Qualification Standards of Construction Engineering Quality Inspection Agencies and strengthen our existing construction engineering testing and inspection services	Following its listing, the Company adjusted its approach based on practical conditions, acquiring qualifications in batches according to the pace of its actual business operations. The Company has obtained specialized qualification for steel structures, and is gradually preparing for two more specialized qualifications for building curtain walls and bridge and underground engineering. Furthermore, the Company has replaced its original plan to replace aging equipment with an optimization and upgrading plan; and has implemented internal training programs to ensure existing employees acquire the necessary qualifications, reducing the need to hire additional employees with relevant qualifications.

Business strategies set out in the Prospectus	Actual business progress as at 30 June 2026
Strengthening our existing market presence in Maoming and expanding our service footprint into the 3rd to 5th tiers cities in Western Guangdong	As at 30 June 2026, the Company had obtained control over Maoming Yueshui Engineering Testing and Inspection Co., Ltd., Xinyi Rongli Motor Vehicle Testing Co., Ltd., Maoming Juzhou Engineering Testing Co., Ltd. and Gaozhou Gaoxin Engineering Testing Co., Ltd. through acquisition and capital increase. All the four companies are located in the Western Guangdong. Among them, Yueshui Testing and Rongli Testing have a mature customer base for hydraulic engineering quality testing and motor vehicle testing and inspection, while Juzhou and Gaoxin also possess mature capabilities in construction engineering quality testing. Each of the four companies has accumulated a solid customer base and a good industry reputation in its respective field and region, which will help the Group integrate T&I resources in the Western Guangdong and further enhance the Group's market coverage and service capacity in Maoming and the 3rd to 5th tiers cities in Western Guangdong.
Diversifying our testing and inspection services beyond construction engineering and expanding into areas including food and agricultural, transportation and fire protection	The Company achieved numerous significant accomplishments in its diversified business development in 2025. In the food and agricultural product testing sector, the Group established a wholly-owned subsidiary in November 2025, further deepening its presence in the segment. In highway engineering, the Company obtained Class C qualification certificate for highway engineering in the same year and established a non-wholly owned subsidiary to focus on providing testing and inspection services for highway and waterway engineering.

2. *Future Prospects*

With the in-depth implementation of the National Work Plan for the Special Rectification of Self-built Housing Safety (Guo Ban Fa Ming Dian No. 10 [2022]) (《全國自建房安全專項整治工作方案》（國辦發明電〔2022〕10號）), the Guangdong Provincial Department of Housing and Urban-Rural Development will accelerate the establishment of a building safety assessment management system, in order to deliver high-quality results for the "14th Five-Year Plan" objectives, scientifically plan the "15th Five-Year Plan", and provide robust support for the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Ten Thousand Villages" and the Green and Beautiful Guangdong ecological initiative, by fully leveraging its pioneering role in safeguarding housing security. On 1 July 2026, the revised Administrative Measures for Safety Assessment and Testing Institutions (Ministry of Emergency Management Order No. 1) (《安全評價檢測檢驗機構管理辦法》（應急管理部令第1 號）) came into effect. This revision has brought new growth drivers to the safety assessment market, and will enable the Group to acquire safety assessment qualifications and expand safety assessment business. Supported by these policies, the Group will actively broaden its business scope and seize market opportunities. By focusing on areas such as building safety assessments, safety evaluations, fire protection inspections, food and agricultural testing, motor vehicle testing, hydraulic engineering inspection and testing and traffic engineering inspection and testing, we aim to achieve diversified development and enhance our comprehensive competitiveness and market influence.

3. *Potential risks faced by the Group*

(1) Our business may be affected by the development of China's property development, construction and infrastructure sectors, which are beyond our control. We provide our construction engineering testing and inspection services mainly to property developers and construction companies, state-owned investment companies, relevant PRC government institutions and PRC government administrative bureaus. The number of projects of our customers is subject to the macroeconomic conditions and fixed asset investment. In particular, 59.3%, 30.9%, 35.8%, 28.6%, 16.61% and 21.17% of our revenue for 2021, 2022, 2023, 2024, 2025 and the first half of 2026 were generated from the property developers. We expect the property developers to continue to be one of our customer types. As a result, our financial performance is correlated to the performance of the PRC real estate market, which is sensitive to economic fluctuations and relevant regulatory rules and policies. In recent years, the national real estate development investment has experienced a slowdown, with a 19.6% year-on-year decrease from RMB10.03 trillion in 2024 to RMB8.28 trillion in 2025, which has adversely affected the business and financial position of our customers.

The Group has established a dedicated department for the above risks, which closely monitors policy developments from relevant regulatory authorities and regularly reports to management. The Group has also continued personnel training across testing sectors to strengthen risk resilience and proactively respond to policy risks. In addition, the Group has refined its marketing strategy. Through mergers and acquisitions and the establishment of joint ventures in the year, the Group has gradually diversified its business, and its testing capabilities have far exceeded the traditional conception of housing inspections. In the future, the Group will comprehensively showcase its integrated testing capabilities and reshape market conception through multi-channel and multi-dimensional publicity and promotion.

(2) Our business operations are concentrated in Maoming, Guangdong Province, and our business, financial position and results of operations are affected by the status of development in economic conditions, government policies or business environment in this region.

Our business operations are mainly concentrated in Maoming, Guangdong Province. During the six months ended 30 June 2026, the majority of our revenue was generated from our T&I services in Maoming. We expect that Western Guangdong, in particular Maoming, will continue to account for a significant portion of our operations in the near future. As the construction engineering T&I industry, one of the major businesses of the Group, is a regulated industry in the PRC, the Group's business, financial condition and operating results will be affected by changes in the government policies and business environment of Maoming and western Guangdong, including fluctuations in economic conditions, development prospects, and the pace of urbanization, as well as adjustments to government policies and regulations related to real estate development, construction and testing and inspection.

To mitigate risks associated with business concentration in Maoming, the Group will reduce its reliance on a single region and strengthen the Group's risk resilience through market expansion to the Pearl River Delta and other cities, diversification of service offerings, prompt adjustments to our business strategies in response to the change in policy and other risk management measures.

(3) Decision-making and integration risks associated with mergers and acquisitions (M&A) by the Group.

To sustain long-term growth, the Group has pursued M&A activities in recent years to integrate and synergize resources, enhance market competitiveness, expand business scope and optimise resource allocation. However, M&A processes involve complex decision-making and integration, posing various inherent risks. Adhering to prudent principles, the Group conducts thorough due diligence, comprehensive evaluations, and return-on-investment analyses during the preacquisition phase. The Group brings in industry professionals with integration capabilities for collaborative management and operation, and continuously tracks investment progress to ensure it meets investment plans and expectations, thereby strengthening post-investment management effectiveness. Pursuant to the Articles, the Board will engage experts and professionals to evaluate significant investment matters and submit them to a Shareholders' meeting for approval, thereby enhancing the scientific rigor and quality of major investment decisions.

Business Objectives of the Group

1. Expanding the construction engineering testing services to achieve Comprehensive Qualification under the Qualification Standards of Construction Engineering Quality Inspection Agencies and strengthen the existing construction engineering testing and inspection services.

As at the date of this report, the Group has obtained seven specialised qualifications, namely: (i) building materials and components, (ii) main structure and decoration, (iii) foundation, (iv) building energy-saving, (v) municipal engineering materials, (vi) road works, and (vii) steel structures. To further expand its construction engineering testing services and progressively achieve comprehensive qualification under the qualification standards of construction engineering quality inspection agencies, the Group will continue to apply for the remaining two specialised qualifications, namely building curtain wall and bridge and underground works, so as to further enhance its service capability and qualification profile.

2. ***Strengthening the existing market presence in Maoming and expanding the service footprint of the Group into the 3rd to 5th tiers cities in Western Guangdong.***

Founded in 2000 and headquartered in Xinyi City, Maoming, we have grown in terms of revenue generated from testing and inspection services.

Being headquartered in Xinyi City, Maoming provides us with a strategic advantage. We are geographically close to the cities in Western Guangdong, allowing us to easily reach our customers and provide prompt services. Our local presence enables us to understand the unique needs and dynamics of these cities. Operating in the region also enables us to provide our professional services at relatively lower overhead costs, including lower transportation and labor expenses. This can positively impact our profitability and financial performance, allowing us to offer competitive pricing while maintaining quality service delivery. Over the years, we have built an extensive network of contacts and partnerships in the region. This network strengthens our ability to serve our customers effectively. We have established relationships with local government agencies, construction companies, and other key stakeholders, enabling us to navigate the local business environment well and collaborate closely with our clients. In recent years, the Group has expanded its service coverage to the whole of Maoming, covering Gaozhou City, Huazhou City and Dianbai District via M&A, joint ventures and new establishments. These cities are undergoing rapid urbanisation and infrastructure development. As these cities expand, new construction projects emerge, including residential complexes, commercial buildings, industrial facilities, and transportation infrastructure. The need for testing and inspection services arises to ensure the quality, safety, and compliance of these projects. With the implementation of stricter regulations and building codes, these cities are placing greater emphasis on compliance and quality control. Local authorities are enforcing higher standards for construction projects to meet safety and environmental requirements, which also drive the demand for testing and inspection services.

The increasing demand for construction engineering testing and inspection services in 3rd to 5th tiers cities in Western Guangdong is driven by urbanisation, regulatory compliance, quality assurance needs and government support. As these cities continue to grow and develop, the demand for reliable and comprehensive testing and inspection services is expected to further increase. We believe our past operations as well as our strategic service positioning have laid a solid foundation for steady future growth. In addition, leveraging our stable customer base and stringent quality controls, we are able to continue to provide reliable testing and inspection services chosen by our customers.

3. Diversifying the testing and inspection services offering, and expanding into areas including food and agricultural, transportation and fire protection.

Due to the diverse nature of customer testing requirements, comprehensive network service capabilities are essential for meeting these demands. Given the dispersed and varied nature of testing needs, inspection organisations require an extensive product portfolio and professional and attentive "one-stop" service capabilities. Facing the growing trend in the property development industry in China, we have recognised the importance of managing operational risks and diversifying our customer base. In line with this strategy, we have expanded our service offerings into new areas including hydraulic engineering, motor vehicle testing, transportation engineering testing, and hoisting and transportation. This expansion will enable us to tap into broader markets and reach a wider range of customers and enhance the stability and sustainability of our operations while capitalising on new opportunities for growth and providing comprehensive solutions.

The Group continued to advance its diversified business layout, achieving significant progress in several new areas. In terms of highway engineering, the Group successfully obtained its Class C qualification certificate for highway engineering in March 2025 and established a non-wholly owned subsidiary for highway and waterway engineering testing services in November of the same year. In terms of food and agricultural products, the Group obtained the qualification certificate for agricultural product quality and safety testing institutions, covering 242 parameters, and established a wholly-owned subsidiary for agricultural and food inspection and testing services in November 2025. In terms of fire protection testing, the Group established a wholly-owned subsidiary for fire protection testing and inspection services in August 2025. The fire protection subsidiary will fully leverage the Group's strong expertise, good market reputation, brand awareness, and state-owned enterprise background in the testing industry to provide highly credible fire protection testing and inspection services to external clients, generating business synergies and further consolidating the Group's integrated competitive advantage in the testing area.

Corporate Governance and Other Information

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization that is open and accountable to the Shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Group. The Group believes that effective corporate governance is an essential factor for creating more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board, in order to optimize the returns for Shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has adopted the principles and the code provisions of the CG Code to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner. The Company is committed to maintain high standards of corporate governance to safeguard the interests of the Shareholders and ensure the quality of the constitution of the Board and transparency and accountability to the Shareholders. Save as disclosed below, the Company had complied with all the provisions in the CG Code during the six months ended 30 June 2026.

The roles of the chairman and the chief executive officer of the Company have not been separated as required by code provision C.2.1 of part 2 of the CG Code. The roles of the chairman of the Board and general manager of the Company are both performed by Mr. Lai Feng, an executive Director. The Board believes that vesting the roles of both chairman and general manager in the same individual enables the Group to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Lai Feng's extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Lai Feng continues to act as the chairman and general manager of the Company after the Listing, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Director and independent non-executive Directors.

NON-COMPETITION UNDERTAKINGS

The controlling shareholder of the Company, Xinyi City CEQS Center, which is an obligor under the Deed of Non-Competition (as defined in the Prospectus), has confirmed to the Company of its compliance with the non-compete undertakings provided to the Company thereunder. The independent non-executive Directors of the Company have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the controlling shareholder of the Company.

Corporate Governance and Other Information

DIRECTORS AND CONTROLLING SHAREHOLDER'S INTEREST IN COMPETING BUSINESS

During the six months ended 30 June 2026 and up to the date of this report, none of the Directors or controlling Shareholder or their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business, apart from the Group's business, that competes or may compete, either directly or indirectly, with the Group's business and any other conflicts of interest which any such person or entity had or might have with the Group.

DIRECTORS AND SENIOR MANAGEMENT'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.46 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry to all Directors and members of the senior management of the Company, and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by Directors during the six months ended 30 June 2026.

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, none of the Directors and the chief executive of the Group had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Group and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Group are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Group and the Stock Exchange pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules.

At no time was the Company, or any of its holding companies a party to any arrangements to enable the Directors and the chief executive of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to any Director or chief executive of the Company, as at 30 June 2026, the persons or corporations (other than Directors or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares interested	Approximate percentage of shareholding in Unlisted Shares/ H Shares[1]	Approximate percentage of shareholding in the total share capital of the Company[1]
Xinyi City CEQS Center[2]	Beneficial owner	19,000,000 Unlisted Shares (L)	80%	56.00%
Xinyi Xinhui[3]	Beneficial owner	4,750,000 Unlisted Shares (L)	20%	14.00%
Lin Jiangjun 林姜君	Beneficial owner	1,943,000 H Shares (L)	19.09%	5.73%
Lin Sheng Yu 林聖祐	Beneficial owner	1,109,000 H Shares (L)	10.89%	3.27%
Chen Menghua 陳孟華	Beneficial owner	1,049,500 H Shares (L)	10.31%	3.09%
Lu Sili 盧思麗	Beneficial owner	1,038,500 H Shares (L)	10.20%	3.06%
Liang Yishuang 梁藝爽	Beneficial owner	999,500 H Shares (L)	9.81%	2.95%
Z K 張坤	Beneficial owner	530,000 H Shares (L)	5.21%	1.56%
Zhang Yunling 張雲凌	Beneficial owner	527,500 H Shares (L)	5.18%	1.55%

Notes:

(1) It was based on 33,929,000 issued Shares of the Company (comprising 23,750,000 Unlisted Shares and 10,179,000 H Shares) as at 30 June 2026.

(2) Xinyi City CEQS Center is a public institution under the Xinyi City Bureau of Housing and Urban-Rural Development (信宜市住房和城鄉建設局).

(3) Xinyi Xinhui is a limited liability company incorporated in the PRC on 24 August 2022. Xinyi Xinhui is wholly-owned by Xinyi City Bureau of Finance (信宜市財政局), a department of the Xinyi County People's Government (信宜市人民政府).

Save as disclosed above, as at 30 June 2026, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE SCHEME

As at the date of this report, the Company had not adopted any share scheme under Rules 23.07 and 23.09 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2026 and up to the date of this report. As at 30 June 2026, no treasury shares were held by the Company.

REVIEW BY AUDIT COMMITTEE AND REVIEW BY AUDITOR

The Board has established an Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee comprises all the three independent non-executive Directors, namely Ms. Liu Hongge, Mr. Luo Qiling and Ms. Deng Dian. Ms. Liu is the chairlady of the Audit Committee. The Company's unaudited condensed consolidated interim results for the six months ended 30 June 2026 have been reviewed by the Audit Committee, and the Audit Committee is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made. The results of the Group for the six months ended 30 June 2026 have been reviewed by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

Independent Review Report

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the board of directors of Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 44 to 70, which comprises the condensed consolidated statement of financial position of Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 Interim Financial Reporting ("**HKAS 34**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Certified Public Accountants
Hong Kong
18 August 2026

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	 2025 RMB'000 (Unaudited)
REVENUE	*5*	**46,997**	24,958
Cost of sales		**(21,488)**	(12,120)
Gross profit		**25,509**	12,838
Other income		**502**	362
Administrative expenses		**(14,862)**	(6,877)
Research and development expenses		**(2,389)**	(616)
Impairment losses on financial assets at amortised cost, net		**(1,863)**	(1,638)
Other expenses		**(67)**	(40)
Finance costs		**(883)**	(750)
PROFIT BEFORE TAX	*6*	**5,947**	3,279
Income tax expense	*7*	**(1,388)**	(1,391)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**4,559**	1,888
Attributable to:			
Owners of the parent		**3,149**	1,350
Non-controlling interests		**1,410**	538
		4,559	1,888
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted		**RMB0.09**	RMB0.04

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**49,019**	40,391
Right-of-use assets		**46,037**	45,292
Goodwill	*15*	**9,126**	2,902
Other intangible assets		**2,597**	2,666
Deferred tax assets		**2,414**	1,940
Prepayments and other receivables		**8,988**	6,185
Total non-current assets		**118,181**	99,376
CURRENT ASSETS			
Inventories		**6,513**	4,208
Trade receivables	*11*	**90,720**	76,840
Prepayments and other receivables		**11,448**	3,114
Cash and cash equivalents		**90,524**	101,691
Total current assets		**199,205**	185,853
CURRENT LIABILITIES			
Trade payables	*12*	**8,824**	8,433
Other payables and accruals		**26,180**	20,658
Interest-bearing bank borrowings	*14*	**9,327**	–
Lease liabilities		**2,896**	2,445
Tax payable		**1,341**	3,587
Total current liabilities		**48,568**	35,123
NET CURRENT ASSETS		**150,637**	150,730
TOTAL ASSETS LESS CURRENT LIABILITIES		**268,818**	250,106

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**44,211**	43,713
Total non-current liabilities		**44,211**	43,713
Net assets		**224,607**	206,393
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**33,929**	33,929
Reserves		**157,123**	160,081
		191,052	194,010
Non-controlling interests		**33,555**	12,383
Total equity		**224,607**	206,393

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the parent						
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	33,929	107,050	4,773	48,258	194,010	12,383	206,393
Profit and total comprehensive income for the period	–	–	–	3,149	3,149	1,410	4,559
Final 2025 dividend *(note 8)*	–	–	–	(6,107)	(6,107)	–	(6,107)
Acquisition of subsidiaries *(note 15)*	–	–	–	–	–	17,112	17,112
Capital contribution from a non-controlling shareholder	–	–	–	–	–	2,650	2,650
At 30 June 2026 (unaudited)	33,929	107,050*	4,773*	45,300*	191,052	33,555	224,607

	Attributable to owners of the parent						
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	33,929	107,050	2,812	34,998	178,789	–	178,789
Profit and total comprehensive income for the period	–	–	–	1,350	1,350	538	1,888
Final 2024 dividend *(note 8)*	–	–	–	(5,089)	(5,089)	–	(5,089)
Dividends paid to a non-controlling shareholder	–	–	–	–	–	(490)	(490)
Acquisition of subsidiaries	–	–	–	–	–	6,963	6,963
Capital contribution from a non-controlling shareholder	–	–	–	–	–	2,450	2,450
At 30 June 2025 (unaudited)	33,929	107,050	2,812	31,259	175,050	9,461	184,511

* These accounts comprised the reserves of RMB157,123,000 as at 30 June 2026 as stated in the interim condensed consolidated statement of financial position.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
		Six months ended 30 June	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**5,947**	3,279
Adjustments for:			
Finance costs		**883**	750
Impairment losses on financial assets at amortised cost, net		**1,863**	1,638
Loss on disposal of items of property, plant and equipment	*6*	**–**	19
Gain on early termination of a lease	*6*	**(39)**	–
Depreciation of property, plant and equipment	*6*	**4,034**	2,378
Depreciation of right of use assets	*6*	**1,779**	1,008
Amortisation of other intangible assets	*6*	**201**	66
Foreign exchange differences, net	*6*	**4**	2
Interest income	*6*	**(109)**	(288)
		14,563	8,852
Increase in inventories		**(2,305)**	(935)
Increase in trade receivables		**(8,000)**	(15,393)
(Increase)/decrease in prepayments and other receivables		**(6,340)**	3,217
(Decrease)/increase in trade payables		**(532)**	728
(Decrease)/increase in other payables and accruals		**(4,383)**	162
Cash used in operations		**(6,997)**	(3,369)
Interest received		**100**	280
Income tax paid		**(4,421)**	(3,579)
Net cash flows used in operating activities		**(11,318)**	(6,668)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(8,780)**	(6,501)
Purchases of other intangible assets		**–**	(65)
Withdrawal of time deposits		**–**	10,000
Acquisition of subsidiaries	*15*	**(730)**	2,958
Net cash flows(used in)/from investing activities		**(9,510)**	6,392
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from a non-controlling shareholder		**2,650**	2,450
New bank loans		**9,327**	–
Principal portion of lease payments		**(1,429)**	(667)
Interest element on lease payments		**(880)**	(750)
Repayment of lease deposits		**–**	(40)
Interest paid		**(3)**	–
Net cash flows from financing activities		**9,665**	993
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(11,163)**	717
Cash and cash equivalents at beginning of period		**101,691**	99,856
Effect of foreign exchange rate changes, net		**(4)**	(2)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**90,524**	100,571
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**90,524**	100,571

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

1. CORPORATE INFORMATION

Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") are principally engaged in providing construction testing and inspection services across a diversified portfolio in the People's Republic of China ("**PRC**"), covering construction engineering (including (i) building materials and components, (ii) main structure and decoration, (iii) foundation, (iv) building energy-saving, (v) municipal engineering materials, (vi) road works, and (vii) steel structures), as well as specialized sectors such as food and agricultural, motor vehicles, fire protection, hydraulic and transportation engineering. The Company's immediate controlling shareholder is Xinyi City Construction Engineering Quality and Safety Affairs Center ("**Xinyi City CEQS Center**"), a public institution under the Xinyi City Bureau of Housing and Urban-Rural Development.

The Company is a state-owned enterprise incorporated in Guangdong Province of the PRC. The Company was established as a joint-stock cooperative enterprise on 28 March 2000. The Company was converted into a limited liability company in July 2023 and was further converted into a joint stock company with limited liability in October 2023. The address of the Company's registered office is No.1, Xinyi Avenue South, Dingbao Town, Xinyi City, Maoming City, Guangdong Province.

2. BASIS OF PREPARATION

These interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. These interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025. The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

The above revised HKFRS Accounting Standards did not have a material impact on the Group.

4. OPERATING SEGMENT INFORMATION

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the general manager of the Group. As a result of this evaluation, the CODM considers that the Group's operations are operated and managed as a single segment. Accordingly, no segment information is presented.

During the period, the operations of the Group were domiciled in the PRC and the Group's revenue was attributable to the market in the PRC.

As at 30 June 2026 and 31 December 2025, the Group's non-current assets were all located in the PRC.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**46,997**	24,958

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of services		
Testing services	**44,850**	23,614
Inspection services	**1,412**	1,228
Others	**735**	116
Total	**46,997**	24,958
Geographical market		
Chinese mainland	**46,997**	24,958
Timing of revenue recognition		
Services transferred at a point in time	**45,585**	23,730
Services transferred over time	**1,412**	1,228
Total	**46,997**	24,958

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest Income*	**(109)**	(288)
Costs of services provided	**21,488**	12,120
Depreciation of property, plant and equipment	**4,034**	2,378
Depreciation of right of use assets	**1,779**	1,008
Amortisation of other intangible assets	**201**	66
Foreign exchange differences, net	**4**	2
Gain on early termination of a lease*	**(39)**	–
Loss on disposal of items of property, plant and equipment	**–**	19

* Included in other income in the interim condensed consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

The Group provides income tax expense for each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The major components of income tax expense recognised in profit or loss are:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Chinese mainland		
Provision for the period	**1,510**	2,026
Under-provision in prior years	**352**	851
	1,862	2,877
Deferred	**(474)**	(1,486)
	1,388	1,391

8. DIVIDEND

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final declared – RMB0.18 (2025: RMB0.15) per ordinary share	**6,107**	5,089

The final 2025 dividend was paid in July 2026.

No interim dividend has been declared by the Company subsequent to the end of the reporting period (six months ended 30 June 2025: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 33,929,000 (six months ended 30 June 2025: 33,929,000) outstanding during the period.

No adjustments have been made to the basic earnings per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Company has no potentially dilutive ordinary shares outstanding during the periods.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the parent, used in the basic and diluted earnings per share calculation (RMB'000)	**3,149**	1,350
Weighted average number of ordinary shares outstanding for the purpose of earnings per share calculation	**33,929,000**	33,929,000

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB5,823,000 (six months ended 30 June 2025: RMB7,278,000), excluding property, plant and equipment acquired through business combination disclosed in note 15 to the interim condensed consolidated financial information.

For the six months ended June 30, 2026, the Group did not dispose of any assets (six months ended June 30, 2025: RMB19,000).

11. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**105,529**	89,811
Impairment	**(14,809)**	(12,971)
	90,720	76,840

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**56,900**	49,122
1 to 2 years	**22,414**	19,763
2 to 3 years	**8,583**	7,277
3 to 4 years	**2,257**	479
Over 4 years	**566**	199
	90,720	76,840

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**1,948**	4,318
1 to 2 years	**3,007**	4,115
2 to 3 years	**3,869**	–
	8,824	8,433

13. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
33,929,000 (2025: 33,929,000) ordinary shares	**33,929**	33,929

14. INTEREST-BEARING BANK BORROWING

	Effective interest rate (%)	**Maturity**	**30 June 2026 RMB'000** (Unaudited)
Bank loans – unsecured	2.65	2026	9,327

(a) All borrowings are denominated in RMB as at 30 June 2026.

15. BUSINESS COMBINATION

(a) Maoming Juzhou Engineering Testing Co., Ltd. ("Juzhou")

On 16 December 2025, the Company, Huazhou Construction Quality Affairs Center ("**Huazhou CQA Center**") and Maoming Juzhou Engineering Testing Co., Ltd. ("**Juzhou**") entered into a capital increase agreement, pursuant to which the Company conditionally agreed to subscribe for 51% of the enlarged registered capital of Juzhou at a consideration of RMB13,323,900. The acquisition was completed during the reporting period. Juzhou is a limited liability company established in the PRC which is principally engaged in the provision of construction engineering testing and inspection services in Huazhou City. The Group has been actively exploring opportunities to strengthen its existing market presence in Maoming and expand its service footprint into the 3rd to 5th tiers cities in Western Guangdong.

The fair values of the identifiable assets and liabilities of Juzhou, subject to the finalisation of the fair value estimate, as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB'000 (Unaudited)
Property, plant and equipment	**5,360**
Right of use assets	**1,238**
Deferred tax assets	**121**
Other intangibles assets	**11**
Cash and bank balances	**2,916**
Trade receivables	**3,326**
Other receivables	**1,867**
Trade payables	**(762)**
Accruals and other payables	**(972)**
Deferred tax liabilities	**(2)**
Tax payable	**(242)**
Lease liabilities	**(1,197)**
Total identifiable net assets at fair value	**11,664**
Non-controlling interests*	**(5,715)**
Goodwill on acquisition	**580**
Satisfied by the acquisition of non-controlling interests of the injected capital*	**6,529**

* The aggregate non-controlling interests acquired from the acquisition of Juzhou amounted to RMB12,244,000.

15. BUSINESS COMBINATION (Continued)

(a) Maoming Juzhou Engineering Testing Co., Ltd. ("Juzhou") (Continued)

An analysis of the cash flows in respect of the acquisition of Juzhou is as follows:

	RMB'000
Cash and bank balances acquired included in cash flows from investing activities	**2,916**
Transaction costs of the acquisition included in cash flows from operating activities	**(363)**
Total net cash inflow	**2,553**

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB3,326,000 and RMB1,867,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB5,641,000 and RMB1,871,000, respectively, of which trade receivables and other receivables of RMB2,315,000 and RMB4,000, respectively, are expected to be uncollectible.

The Group incurred transaction costs of RMB363,000 for this acquisition. These transaction costs have been expensed and are included in other expenses for the six months ended 30 June 2026.

Since the acquisition, Juzhou contributed RMB4,777,000 to the Group's revenue and RMB1,233,000 to the consolidated profit for the six months ended 30 June 2026.

Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period would have been RMB47,355,000 and RMB2,535,000, respectively.

15. BUSINESS COMBINATION (Continued)

(b) Gaozhou Gaoxin Engineering Testing Co., Ltd. ("Gaoxin")

On 29 December 2025, the Company and Gaozhou Anjian State Owned Assets Management Co., Ltd. ("**Gaozhou Anjian**") entered into an Equity Transfer Agreement, pursuant to which the Company conditionally agreed to acquire, and Gaozhou Anjian conditionally agreed to sell 51% equity interest in the Gaozhou Gaoxin Engineering Testing Co., Ltd. ("**Gaoxin**") at a consideration of RMB10,710,000. The acquisition was completed during the reporting period. Gaoxin is a limited liability company established in the PRC which is principally engaged in the provision of construction engineering testing and inspection services in Gaozhou City. The acquisition was made as part of the Group's strategy to expand its business network and client base in Western Guangdong.

The fair values of the identifiable assets and liabilities of Gaoxin, subject to the finalisation of the fair value estimate, as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB'000 (Unaudited)
Property, plant and equipment	**1,479**
Right of use assets	**412**
Deferred tax assets	**94**
Cash and bank balances	**7,064**
Trade receivables	**4,417**
Other receivables	**127**
Trade payables	**(161)**
Accruals and other payables	**(2,826)**
Deferred tax liabilities	**(47)**
Tax payable	**(237)**
Lease liabilities	**(388)**
Total identifiable net assets at fair value	**9,934**
Non-controlling interests*	**(4,868)**
Goodwill on acquisition	**5,644**
Satisfied by cash	**10,710**

* The aggregate non-controlling interests acquired from the acquisition of Gaoxin amounted to RMB4,868,000.

15. BUSINESS COMBINATION (Continued)

(b) Gaozhou Gaoxin Engineering Testing Co., Ltd. ("Gaoxin") (Continued)

An analysis of the cash flows in respect of the acquisition of Gaoxin is as follows:

	RMB'000
Cash consideration	**(10,710)**
Cash and bank balances acquired	**7,064**
Net outflow of cash and cash equivalents included in cash flows from investing activities	**(3,646)**
Transaction costs of the acquisition included in cash flows from operating activities	**(433)**
Total net cash outflow	**(4,079)**

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB4,417,000 and RMB127,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB4,781,000 and RMB127,000, respectively, of which trade receivables of RMB364,000 are expected to be uncollectible.

The Group incurred transaction costs of RMB433,000 for this acquisition. These transaction costs have been expensed and are included in other expenses for the six months ended 30 June 2026.

Since the acquisition, Gaoxin contributed RMB6,026,000 to the Group's revenue and RMB2,458,000 to the consolidated profit for the six months ended 30 June 2026.

Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period would have been RMB49,589,000 and RMB5,205,000, respectively.

15. BUSINESS COMBINATION (Continued)

Reconciliation of the carrying amount of the Group's goodwill at the beginning and end of the reporting period is presented below:

	RMB'000 (Unaudited)
Gross carrying amount	
At 1 January 2026 (audited)	**2,902**
Acquisition of subsidiaries	**6,224**
At 30 June 2026	**9,126**
Accumulated impairment losses	
At 1 January 2026 (audited) and 30 June 2026	**–**
Net book value	
At 30 June 2026	**9,126**
At 31 December 2025 (audited)	**2,902**

16. CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

17. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Buildings	**969**	–
Equipment	**1,577**	–
	2,546	–

18. RELATED PARTY TRANSACTIONS

The following is a summary of the transactions carried out between the Group and its related parties during the six months ended 30 June 2026 and 2025, and balances with related parties as at 30 June 2026 and 31 December 2025.

(a) The following companies are related parties of the Group that had significant balances and/or transactions with the Group as at/or during the period.

Name	Relationship
Xinyi City Construction Engineering Quality and Safety Affairs Center	Immediate holding company
Baimu Primary School, Chashan Town, Xinyi City	Maoming Government administrative bureau
Changpo Town People's Government of Gaozhou City	Maoming Government administrative bureau
Gaozhou Shangdong Primary School, Shigu Town	Maoming Government administrative bureau
Gaozhou Changpo Middle School	Maoming Government administrative bureau
Gaozhou City Bureau of Housing and Urban-Rural Development	Maoming Government administrative bureau
Gaozhou Dajing No.1 Middle School	Maoming Government administrative bureau
Gaozhou Dajing Town Central Hospital	Maoming Government administrative bureau
Gaozhou Housing Affairs Center	Maoming Government administrative bureau
Gaozhou Municipal Government Investment Project Construction Center	Maoming Government administrative bureau
Gaozhou No.2 Middle School	Maoming Government administrative bureau
Guangdong Maoming Binhai New Area Management Committee Agriculture and Rural Affairs Bureau	Maoming Government administrative bureau
Huazhou City Vocational and Technical School	Maoming Government administrative bureau
Huazhou No. 1 Middle School	Maoming Government administrative bureau
Huazhou City Shenggu Middle School	Maoming Government administrative bureau
Huazhou Education Bureau	Maoming Government administrative bureau

18. RELATED PARTY TRANSACTIONS (Continued)

(a) The following companies are related parties of the Group that had significant balances and/or transactions with the Group as at/or during the period. (Continued)

Name	Relationship
Huazhou Industry Transfer Industrial Park Management Committee	Maoming Government administrative bureau
Huazhou Municipal Bureau of Urban Management and Comprehensive Law Enforcement	Maoming Government administrative bureau
Jianjiang Primary School In Huazhou City	Maoming Government administrative bureau
Jindong Town People's Government of Xinyi City	Maoming Government administrative bureau
Maoming Beishan Water Conservancy Project Management Institute	Maoming Government administrative bureau
Maoming Municipal Government Investment Project Construction Center	Maoming Government administrative bureau
Maoming Public Security Bureau	Maoming Government administrative bureau
Maoming Water Bureau	Maoming Government administrative bureau
People's Government of Baishi Town, Xinyi City	Maoming Government administrative bureau
People's Government of Beijie Town, Xinyi City	Maoming Government administrative bureau
People's Government of Changpo Town, Gaozhou City	Maoming Government administrative bureau
People's Government of Chidong Town, Xinyi City	Maoming Government administrative bureau
People's Government of Cinnabar Town, Xinyi City	Maoming Government administrative bureau
People's Government of Dacheng Town, Xinyi City	Maoming Government administrative bureau
People's Government of Guizi Town, Xinyi City	Maoming Government administrative bureau
People's Government of Heshui Town, Xinyi City	Maoming Government administrative bureau
People's Government of Pingtang Town, Xinyi City	Maoming Government administrative bureau
People's Government of Sihe Town, Xinyi City	Maoming Government administrative bureau
People's Government of Zhenjiang Town, Gaozhou City	Maoming Government administrative bureau

18. RELATED PARTY TRANSACTIONS (Continued)

(a) The following companies are related parties of the Group that had significant balances and/or transactions with the Group as at/or during the period. (Continued)

Name	Relationship
Tongqing Primary School, Tongqing Town, Huazhou City	Maoming Government administrative bureau
Xinyi Agricultural and Rural Bureau	Maoming Government administrative bureau
Xinyi Agricultural Science and Technology Promotion Center	Maoming Government administrative bureau
Xinyi City Bureau of Housing and Urban-Rural Development	Maoming Government administrative bureau
Xinyi City Bureau of Housing and Urban-Rural Development	Maoming Government administrative bureau
Xinyi City Bureau of Housing and Urban-Rural Development	Maoming Government administrative bureau
Xinyi City Fire and Rescue Brigade	Maoming Government administrative bureau
Xinyi City Health Bureau	Maoming Government administrative bureau
Xinyi City Land Reserve Center	Maoming Government administrative bureau
Xinyi Education Bureau	Maoming Government administrative bureau
Xinyi Market Supervision and Administration Bureau	Maoming Government administrative bureau
Xinyi Municipal Public Security Bureau Traffic Management Division	Maoming Government administrative bureau
Xinyi Natural Resources Bureau	Maoming Government administrative bureau
Xinyi People's Hospital	Maoming Government administrative bureau
Xinyi Public Security Bureau	Maoming Government administrative bureau
Xinyi Vocational and Technical School	Maoming Government administrative bureau
Zhenlong Town People's Government of Xinyi City	Maoming Government administrative bureau
Gaozhou Gaixin Engineering Inspection Co., Ltd.	Entities controlled by the Maoming Government
Gaozhou City Construction Affairs Center	Entities controlled by the Maoming Government
Gaozhou Guangye Environmental Protection Technology Co., Ltd.	Entities controlled by the Maoming Government

18. RELATED PARTY TRANSACTIONS (Continued)

(a) The following companies are related parties of the Group that had significant balances and/or transactions with the Group as at/or during the period. (Continued)

Name	Relationship
Gaozhou Jianlong Water Construction Investment Group Co., Ltd.	Entities controlled by the Maoming Government
Gaozhou Changsheng Construction and Development Co., Ltd.	Entities controlled by the Maoming Government
Gaozhou Urban and Rural Infrastructure Construction Investment Co., Ltd.	Entities controlled by the Maoming Government
Gaozhou Water Conservancy and Hydropower Engineering Construction Management Center	Entities controlled by the Maoming Government
Guangdong Gaozhou Construction Engineering General Company	Entities controlled by the Maoming Government
Guangdong Guoxiang Group Co., Ltd.	Entities controlled by the Maoming Government
Guangdong Huazhou Construction Engineering General Company	Entities controlled by the Maoming Government
Guangdong Xinyi Economic Development Zone Management Center	Entities controlled by the Maoming Government
Guangdong Zhongrui Holding Group Co., Ltd.	Entities controlled by the Maoming Government
Huazhou Reserve Grain Management Co., Ltd.	Entities controlled by the Maoming Government
Huazhou Water Conservancy and Hydropower Construction Service Center	Entities controlled by the Maoming Government
Maoming Binhai New Area Fishing Port Service Center	Entities controlled by the Maoming Government
Maoming City Urban River Embankment Management Office	Entities controlled by the Maoming Government
Maoming Development Group Co., Ltd.	Entities controlled by the Maoming Government

18. RELATED PARTY TRANSACTIONS (Continued)

(a) The following companies are related parties of the Group that had significant balances and/or transactions with the Group as at/or during the period. (Continued)

Name	Relationship
Maoming Maonan District Water Conservancy Engineering Construction Center	Entities controlled by the Maoming Government
Maoming Minghu Reservoir Management Institute	Entities controlled by the Maoming Government
Maoming Soil and Water Conservation Monitoring Station	Entities controlled by the Maoming Government
Maoming Xinyi Construction Engineering Company	Entities controlled by the Maoming Government
Water Conservancy and Hydropower Construction Management Center of Maoming City	Entities controlled by the Maoming Government
Xinyi City Urban Comprehensive Investment Development Co., Ltd.	Entities controlled by the Maoming Government
Xinyi City Water Conservancy and Hydropower Engineering Construction Management Center	Entities controlled by the Maoming Government
Xinyi Municipal Government Investment Project Construction Center	Entities controlled by the Maoming Government
Xinyi Shanbei Primary School	Entities controlled by the Maoming Government
Xinyi Third People’s Hospital	Entities controlled by the Maoming Government
Xinyi Xinheng State Owned Assets Operation and Management Group Co., Ltd.	Entities controlled by the Maoming Government
Xinyi Xinjian Urban and Transportation Investment Development Co., Ltd.	Entities controlled by the Maoming Government
Xinyi Xinye Industry and Industrial Park Investment Co., Ltd	Entities controlled by the Maoming Government
Zhongji Technology Development (Maoming) Co., Ltd.	Entities controlled by the Maoming Government

18. RELATED PARTY TRANSACTIONS (Continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	Notes	**For the six months ended 30 June 2026 RMB'000 (Unaudited)**	For the six months ended 30 June 2025 RMB'000 (Unaudited)
Addition of right-of-use assets from entities controlled by PRC government	*(i)*	**683**	304
Interest expenses on lease liabilities to:			
Entities controlled by PRC government	*(i)*	**764**	750
Rendering of services to:			
Immediate holding company	*(ii)*	**45**	47
PRC government administrative bureaus and entities controlled by the PRC Government	*(iii)*	**15,344**	14,096

Notes:

(i) In March and May of 2026, the Group signed lease agreements with certain entities controlled by the government of the People's Republic of China, for the lease of office spaces and laboratories, with lease terms ranging from 2 to 10 years.

(ii) The Group provided testing services to the immediate holding company. The transaction prices of these services are determined with reference to the prevailing market prices.

(iii) The Group provided testing services and inspection services to certain PRC government administrative bureaus and entities controlled by the PRC Government. The transaction prices of these services are determined with reference to the prevailing market prices.

18. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties:

	Note	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Trade receivables from immediate holding company	*(i)*	**152**	112
Trade receivables from PRC government administrative bureaus and entities controlled by the PRC Government	*(i)*	**66,127**	55,374
Lease liabilities to an entity controlled by PRC government		**(39,412)**	(39,590)
Contract liabilities from entities controlled by the PRC Government		**(2,100)**	(1,940)

Note:

(i) The balances of trade receivables were trade in nature, unsecured, interest free and receivable in 90 to 180 days.

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short term employee benefits	**888**	905
Post-employment benefits	**413**	262
	1,301	1,167

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

For the six months ended June 30, 2026, the Company recorded non-cash increases of RMB7,122,000 and RMB7,079,000 in right-of-use assets and lease liabilities, respectively, arising from building lease arrangements. Additionally, non-cash decreases of RMB6,248,000 and RMB6,287,000 were recognised for these same items during the period upon termination of a lease agreement.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, trade receivables, trade payables, current portion of financial assets included in prepayments and other receivables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumptions were used to estimate the fair values:

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the non-current portion of other receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

	Carrying amounts		Fair values	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Financial assets				
Other receivables, non-current portion	**491**	524	**491**	524

The Group did not have any financial assets and liabilities measured at fair values as at 30 June 2026 and as at 31 December 2025.

21. EVENTS AFTER THE REPORTING PERIOD

There were no material subsequent events affecting the Group after 30 June 2026 and up to the date of this report.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 18 August 2026.