OVERVIEW

We are a leading TIC services provider in China with global presence. According to Frost & Sullivan, in terms of revenue, we ranked second among professional testing institutions and fifth overall in the PRC TIC integrated solution market for the oil and gas sector in 2025. We are one of a very limited number of Chinese members of the TIC Council. Our core competency lies in our robust qualification and certification system and proprietary testing and inspection technologies, which are inherently sector-agnostic and capable of application across a broad range of industries. To date, we have applied these capabilities principally in the oil and gas industry, and we are actively scaling up our new energy business and expanding our service coverage into other sectors. According to Frost & Sullivan, we are one of the few Chinese TIC companies with significant operations in overseas markets and full-industry-chain service capabilities for oil and gas development engineering assets. We are also one of the major service providers to leading Chinese state-owned oil and gas companies and renowned international energy companies. We believe we have built a strong brand through our robust qualification and certificate system, proprietary technologies, premium client base, flexible and efficient operational model and experienced management team. Going forward, we strive to become a leading TIC services provider rooted in China with international credibility and industry recognition.

Our core service offerings comprise oil and gas development engineering solutions and infrastructure solutions, which we currently provide principally to the oil and gas industry while selectively and strategically scaling up our new energy business and expanding our service coverage into other sectors. We are committed to delivering professional and integrated testing and inspection services, ranging from casing and tubing inspection and gas leak detection to NDT, pipeline inspection and metrology testing. We also provide high value-added intelligent solutions to meet our customers' growing demand for real-time monitoring.

Since our inception, we have built an extensive nationwide and international service network. We provide services to major oil and gas fields in the PRC through our regional centers. Beyond the PRC, we have established a core operational base in Iraq and expanded our business to key oil and gas producing regions along the Belt and Road Initiative, including the Middle East, Africa and Central Asia. According to Frost & Sullivan, we are the only Chinese TIC company accredited by the Iraqi Ministry of Oil as a qualified second-party inspection service provider.

OUR COMPETITIVE STRENGTHS

We are a leading TIC services provider in China, with proprietary, sector-agnostic capabilities and a first-mover advantage in overseas markets.

We are a leading TIC services provider in China underpinned by robust qualification and certification portfolios, proprietary testing and inspection technologies and a solid market presence in major oil and gas fields including Tarim and Southwest China. According to Frost & Sullivan, in terms of revenue, we ranked second among professional testing institutions and fifth overall in the PRC TIC integrated solution market for the oil and gas sector in 2025. We are one of a very limited number of Chinese members of the TIC Council. We initiated our overseas expansion in 2009 and have established an extensive business presence in Iraq. According to Frost & Sullivan, we are the only Chinese TIC company accredited by the Iraqi Ministry of Oil as a qualified second-party inspection service provider. Our business has further expanded to major oil and gas producing regions along the Belt and Road Initiative, including the Middle East, Africa and Central Asia. As one of the few Chinese TIC companies with significant operations in overseas markets according to Frost & Sullivan, we believe we maintain a first-mover advantage and a solid position in serving overseas oil and gas projects of Chinese companies.

As a third-party TIC company, we comply with regulatory requirements to avoid potential conflicts of interest arising from our customers' in-house testing. We participate extensively in projects through public bidding and tendering processes and have been recognized by major Chinese state-owned oil and gas companies as their independent third-party service provider, attesting to our established reputation and industry recognition.

We possess a robust qualification and certificate system and integrated service capabilities.

As of the Latest Practicable Date, we held over 50 major industry qualifications and certificates, including membership in the TIC Council, CMA certification, CNAS accreditation, Approval Certificate on Special Equipment Inspection Agencies, Class A Special Equipment NDT Institution Agency, API Specification Q1 and Q2 certifications and Radiation Safety License, which cover NDT, casing and tubing inspection, gas leak detection, pipeline inspection and metrology testing. These qualifications enable us to provide testing and inspection services across a wide range of scenarios in the oil and gas sector and other industrial applications.

We have also obtained major overseas qualifications and certificates such as supplier approval from the Iraqi Ministry of Oil and local business licenses, and, according to Frost & Sullivan, are one of the few Chinese TIC companies capable of providing major oil and gas companies in the Middle East with testing and inspection services. According to Frost & Sullivan, we are the only Chinese TIC company accredited by the Iraqi Ministry of Oil as a qualified second-party inspection service provider. In addition, as one of the few Chinese companies capable of providing full-lifecycle services for oil and gas development engineering assets according to Frost & Sullivan, we have obtained relevant thread licenses from multiple Chinese steel companies, as well as licenses and authorizations for thread processing and repair from a major international OCTG manufacturer. For infrastructure assets, our CMA certification, CNAS accreditation, Approval Certificate on Special Equipment Inspection Agencies and other relevant certificates enable us to deliver various testing and inspection services for these assets. We also actively participate in the drafting of national and oil and gas industry technical standards, and spearhead the development of the national industry standard for casing and tubing gas leak detection, which has enhanced our technical influence within the sector.

Leveraging our comprehensive qualifications and certificates and expertise, we have transformed from a traditional testing service provider to a comprehensive AIM solution provider and built full-chain integrated service capabilities. Our oil and gas development engineering solutions, complemented by infrastructure solutions, cover the entire lifecycle of oil and gas assets. Based on multi-dimensional inspection data, we are able to provide customers with high-value-added AIM services. In addition, our localized service bases, certified professional teams and customer resources can also be shared among our service offerings. By initially engaging customers through a single service line, we are able to expand our service to other business lines. We believe our one-stop service model will help improve our profitability, promote customer retention, and further enhance the value of our services.

We have strong R&D capabilities to support continuous technological innovation.

We have been recognized as a Specialized, Refined, Differentiated and Innovative "Little Giant" Enterprise (專精特新小巨人企業), which is awarded by MIIT, a High-tech Enterprise (高新技術企業), and a National Intellectual Property Advantage Enterprise (國家知識產權優勢企業), and accredited as a Postdoctoral Research Workstation (博士後科研工作站), which is a testament to our technological innovation capabilities. We are highly committed to our R&D efforts and all our core technologies are independently developed and proprietary. Our R&D capabilities are demonstrated by professional R&D personnel, well-equipped laboratories and standardized R&D management systems. Because our core technologies address fundamental testing and inspection challenges that are common across multiple industries, they are inherently transferable to applications beyond the oil and gas sector, including marine and shipbuilding, construction engineering and chemical industries. We have successfully applied

multiple innovations including AI-based radiographic film interpretation systems, auxiliary tooling for small-diameter pipe inspection and radiographic testing equipment and large-diameter casing gas leak detection technologies, to promote the intelligent upgrading of our testing processes and improve testing efficiency and accuracy.

We operate a network of regional laboratories with a specialized division of core competencies to meet our testing and R&D requirements. Strategically located across Xinjiang, Sichuan and Chongqing in China, as well as Basra in Iraq, our laboratories are equipped with a comprehensive suite of advanced testing and analytical instruments. In addition, we have collaborated with universities and research institutions to strengthen our testing capabilities and drive technological innovation. In 2023, we collaborated with China University of Petroleum (中國石油大學) on two research projects, namely, inertial measurement unit and foam eddy current internal inspection. We also partnered with Shanghai Jiao Tong University (上海交通大學) to develop a prototype of the foam-type pipeline eddy current internal detector.

We maintain long-term, stable business relationships with our major and reputable customers.

Our major customers include leading Chinese state-owned oil and gas companies and renowned international energy companies. We are deeply rooted in the oil and gas industry and have established business relationships with leading Chinese oil and gas companies since our inception. We have maintained cooperative relationships of more than ten years with these major customers through a combination of long-term framework agreements and project tenders. Our revenue from these major customers has also generally maintained a growth trend, which demonstrates the recognition from our customers for our service capabilities and expertise. We believe such long-term cooperative relationships will continue to enhance our competitive position in the TIC integrated solution market for the oil and gas sector.

We assign dedicated service teams to customer and provide full-lifecycle services covering technical support, solution design, on-site implementation and after-sales support, enabling us to deeply integrate into our customers' operational processes. We have also established a standardized customer service and management system, including regular customer visits, multi-channel feedback collection and emergency response mechanisms, to strengthen our customer service capabilities and improve customer experience.

We operate an extensive service network in the PRC and maintain efficient localized operations in major overseas markets.

We serve major oil and gas fields in the PRC through our regional centers covering Xinjiang, Southwest and Northwest China. Our extensive service network has enabled us to deliver consistently high-quality services to customers with nationwide operations, and allows for rapid on-site response and efficient project delivery even in remote and harsh oil and gas operating environments. We have also established a centralized national resource sharing model, which facilitates the deployment and cross-regional, cross-business-line sharing of our skilled technical personnel and testing equipment.

Beyond the PRC, we have built a core operational base in Iraq and successfully expanded our presence to key oil and gas producing regions along the Belt and Road Initiative, including the Middle East, Africa and Central Asia. As of December 31, 2025, we had 69 full-time employees in Iraq. In overseas markets, we have assembled localized operational and management teams with in-depth understanding of local regulatory and compliance frameworks, industry practices, cultural norms and market dynamics. This localized capability enables us to effectively mitigate geopolitical, compliance and operational risks inherent in cross-border business activities. We believe our geographically diversified operations and service portfolio serve as a natural hedge against demand fluctuations in the domestic PRC market and adverse regional geopolitical developments.

We have an experienced and stable core management team, supported by a well-established talent pool comprising skilled technical personnel and international professionals.

Our core management team members have an average of more than 20 years of experience in the oil and gas industry. Our senior executives have previously held senior positions at leading Chinese oil and gas companies. They bring extensive industry expertise, proven strategic planning and execution capabilities, and deep insight into industry regulations, customer needs and overseas market operations. Under their leadership, we have successfully evolved from a leading TIC services provider in China to an important international player with operations along the Belt and Road Initiative.

Complementing our strong leadership team is a large, highly qualified technical and operational workforce. As of the Latest Practicable Date, our employees held a total of over 1,500 professional technical qualifications in aggregate, including more than 700 NDT certificates, over 30 thread inspection certificates and 100 metrology-related certificates. This comprehensive portfolio of qualifications demonstrates the professional expertise and technical competence of our personnel in providing high-quality testing and inspection services. We have also recruited key technical and management talents from leading international TIC companies, including C-suite international executives with deep global industry experience to align with and support our international business expansion. We have built a dedicated international team covering R&D, operational management and marketing.

OUR BUSINESS STRATEGY

Solidify leadership in the PRC TIC integrated solution market for the oil and gas sector while expanding our sector-agnostic testing and inspection capabilities into new energy and other industries

Against the backdrop of Chinese enterprises expanding overseas and participating in global markets, demand for professional TIC services continues to grow. In the long term, we strive to become a leading TIC services provider rooted in China with international credibility and industry recognition. We plan to deepen our penetration in the PRC, solidify our market position in Tarim and Southwest China, and strengthen long-term partnerships with our major customers. In particular, we plan to deploy our robust certificate and qualification portfolio and proven proprietary testing technologies across a broader scope of oilfield blocks. We also plan to expand our testing and inspection services across the operational lifecycle of oil and gas fields and advance the construction of our casing and tubing inspection and repair workshop in Southwest China to enhance regional service capabilities and improve project response efficiency.

Leveraging our extensive experience, technical advantages and robust qualification and certificate system in the TIC integrated solution market for the oil and gas sector we plan to scale up our new energy business and expand our service coverage into other selected sectors such as chemicals, shipbuilding and offshore engineering and construction engineering sectors. This will enable us to diversify our revenue mix and mitigate our exposure to the cyclical fluctuations inherent in any single industry. For new energy, we plan to leverage our experience from the compressed air energy storage well testing project in Shandong province, as well as our accumulated testing expertise in wind power and photovoltaic power generation facilities, and further expand our service scope across the wider new energy sector. We also plan to expand our portfolio of nationally and internationally recognized qualifications and certifications, and strengthen our service coverage in these emerging sectors, which will provide critical market access support for our strategic expansion.

We further plan to continue to optimize our service network in the PRC and improve resource allocation efficiency. Specifically, we plan to further refine the service network of our existing regional centers and establish new regional service centers in core oil and gas producing regions to enhance response efficiency and service capabilities in remote and challenging operating environments. We also plan to continuously optimize our national resource sharing model to facilitate cross-regional deployment of core resources such as skilled technical personnel and testing equipment.

Expand our global footprint and optimize localized operations in key overseas markets

Rooted in our established domestic presence in China, we pursue a phased overseas expansion strategy with the Middle East as our core market. Leveraging our recognition and certification from the Iraqi Ministry of Oil, we plan to further strengthen our partnerships with both Chinese-funded oil and gas companies operating in Iraq and local national oil and gas companies to expand our market share in Iraq. We also plan to prioritize strategic expansion into key oil and gas producing regions along the Belt and Road Initiative. Building on our established operating base in Iraq, we plan to establish localized branches in major oil-rich countries including Saudi Arabia, Kuwait and the United Arab Emirates, as well as other core oil and gas producing regions in Africa, Central Asia and South America. Alongside our geographic expansion, we plan to replicate our proven service capabilities, standardized quality management systems and testing methodologies in these new markets. This capability-led expansion will enable us to deliver consistent and high-quality services locally.

In addition, we plan to steadily increase the localization rate of our overseas workforce. In 2027, we plan to recruit an additional 30 to 50 local university graduates and 10 to 20 international graduates with relevant regional operational experience in Iraq, and build a standardized local talent development system to expand our localized teams. We also plan to continuously improve our overseas compliance management system and deepen our understanding of local regulatory requirements, cultural norms and market practices to mitigate geopolitical, compliance and operational risks and ensure the stable operation of our overseas business.

Upgrade our service offerings and further develop AIM and other high-value-added services

We plan to upgrade and leverage our Abu Dhabi Institute of Asset Integrity to recruit senior international professionals and strengthen our full-chain service capabilities covering asset health assessment and due diligence, asset criticality analysis, remaining useful life assessment, multi-dimensional condition monitoring, operation and maintenance solution design and integrity management consulting. Leveraging our comprehensive testing and inspection capabilities and extensive testing data assets, we plan to deliver integrated AIM solutions for oil and gas assets spanning their lifecycle from construction to decommissioning, enhancing our service offerings from one-off inspection services to recurring long-term asset management services. This will help improve per-customer service value and strengthen customer stickiness. We also plan to prioritize the expansion of high-end AIM services in key overseas markets including the Middle East and Africa, such as remaining useful life assessment of offshore equipment, subsea pipeline life extension and onshore station asset integrity management, to optimize our profit structure and improve overall profitability. We plan to further expand our certification portfolio, ranging from product and system to service and environmental certification, together with supporting consulting and training services. We believe this will complement our testing and inspection and asset integrity strengths and lift our overall one-stop integrated TIC service capabilities.

Strengthen our R&D efforts and promote digital and intelligent transformation

We plan to continuously increase R&D investment in technology innovation and further promote our digital and intelligent transformation. We plan to focus our R&D efforts on core areas including AI-powered and big data-driven models for NDT, intelligent in-line pipeline inspection tools, intelligent inspection workflows and automated testing equipment, large-size casing inspection technology, corrosion protection coatings, digital production and logistics platforms, and digital report management systems. In parallel, we plan to strengthen our technical capacity to broaden our service capabilities and coverage, extending our testing into additional areas such as product inspection and special equipment inspection. These efforts will help enhance the indigenization of core technologies and equipment, improve inspection efficiency and accuracy, and boost overall operational and management efficiency, while supporting the sustained expansion of our service portfolio.

We plan to upgrade and expand our R&D laboratories in Xinjiang and Sichuan provinces, as well as our Abu Dhabi Institute of Asset Integrity to further strengthen our global R&D infrastructure and technical capabilities. We also plan to deepen collaboration with universities and research institutions, and continue to support our researchers and teams through our R&D platforms such as Model Worker and Artisan Innovation Studio (劳模和工匠人才創新工作室) and Postdoctoral Research Workstation (博士後科研工作站) to provide technical support for the execution of our business strategies. Furthermore, we plan to continue to participate in the formulation of national, industry and major customer technical standards in the TIC integrated solution market for the oil and gas sector and join leading industry societies and associations, to strengthen our technical influence and leadership.

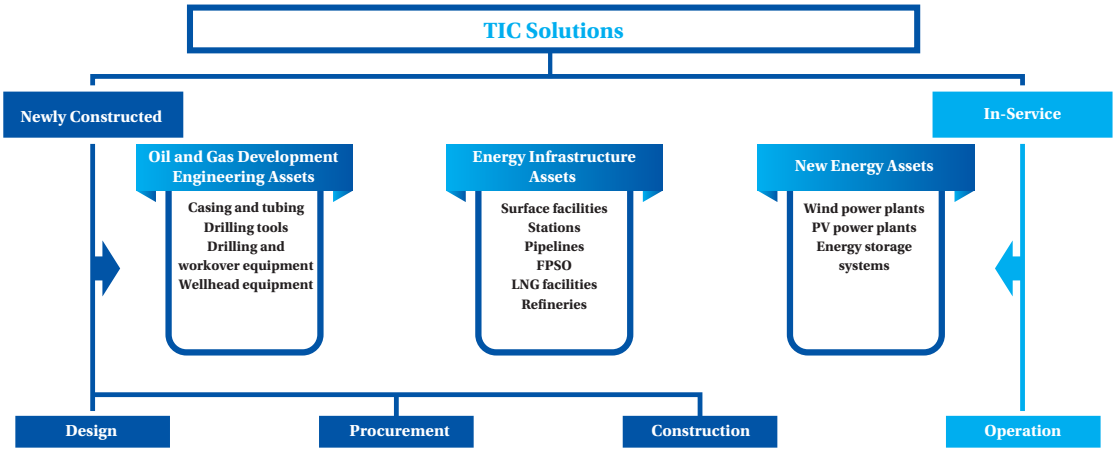
Prudently pursue strategic acquisitions and partnerships to accelerate market expansion and enhance our service capabilities

We plan to prudently evaluate and pursue overseas merger and acquisition opportunities, and selectively target TIC companies in regions such as the Middle East and Africa that possess valuable local regulatory qualifications and established premium customer bases, but have significant untapped operational improvement potential. We also plan to pursue strategic acquisitions of companies with complementary technological capabilities across the TIC industry value chain. Through such acquisitions, we aim to rapidly gain market entry and access to established customer networks, accelerate our technology accumulation, enhance our international operation capabilities, and strengthen our competitiveness across global markets.

OUR BUSINESS MODEL

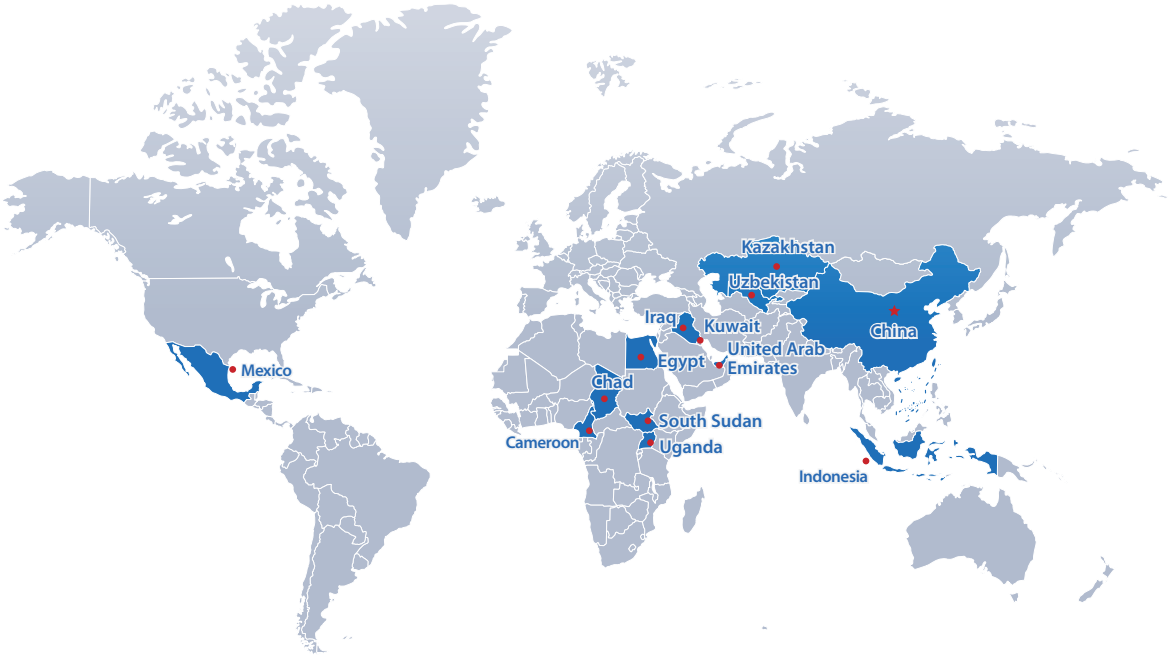
We are a leading TIC services provider in China with global presence. According to Frost & Sullivan, in terms of revenue, we ranked second among professional testing institutions and fifth overall in the PRC TIC integrated solution market for the oil and gas sector in 2025. Our proprietary testing and inspection technologies are sector-agnostic and, while currently applied principally in the oil and gas industry in China, are capable of application across a broad range of industries. According to Frost & Sullivan, we are one of the few Chinese TIC companies with significant operations in overseas markets and full-industry-chain service capabilities for oil and gas development engineering assets. Rooted deeply in the PRC, we operate in more than ten countries across the globe through our extensive network of offices, customer service bases and professional testing equipment. We provide a comprehensive suite of testing, inspection and certification services primarily to customers in the oil and gas industry, which assist our customers to manage risk, enhance the quality and safety of their products, assets and operations, comply with applicable standards and regulations and optimize industrial processes. Our service offerings consist of (i) oil and gas development engineering solutions, (ii) infrastructure solutions, (iii) new energy solutions, and (iv) intelligent solutions. Our customers mainly include oil and gas producers, oilfield engineering and technical service providers, and oilfield pipeline and storage operators, covering the entire value chain of oil and gas exploration, production, storage, and transportation. We also serve customers engaged in the new energy sectors.

We provide services across the entire project cycle, ranging from compliance verification at the design stage, through the procurement and construction phases, to subsequent operation, maintenance and asset management after completion and commissioning of the project. While our service offerings are primarily focused on the operational and maintenance phases of various projects, helping customers reduce unplanned downtime, extend asset service life and enhance overall operational performance, we also offer testing, inspection and technical support for early-stage design, development and construction activities to meet relevant quality, compliance and safety requirements. Our services cover three major categories of energy assets: (i) oil and gas development engineering assets, including casing and tubing, drilling tools, drilling and workover equipment and wellhead equipment; (ii) energy infrastructure assets, including surface facilities, stations, pipelines, FPSO, LNG facilities and refineries; (iii) new energy assets, including wind and PV power plants and energy storage systems. The following diagram shows a simplified version of the value chain and the role of our service offerings.



As a third-party service provider, we are usually selected by both project owners and contractors to provide professional and independent testing and inspection services for their projects and ensure compliance with relevant standards and quality requirements. For each project, we assign a dedicated on-site team to remain stationed to provide full-time, on-location support and services, closely aligning with the project progress and responding promptly to any on-site testing and inspection needs as they arise. For details, see "— Quality Control". We believe our full-lifecycle, hands-on service model helps us secure customers' trust, raise our brand awareness, thereby supporting the continuous development of our business. Given the role our services play in ensuring the safe and efficient operation of infrastructure, we have historically provided a majority of our services to our customers on a regular, recurring basis at each stage of the oil and gas industry value chain.

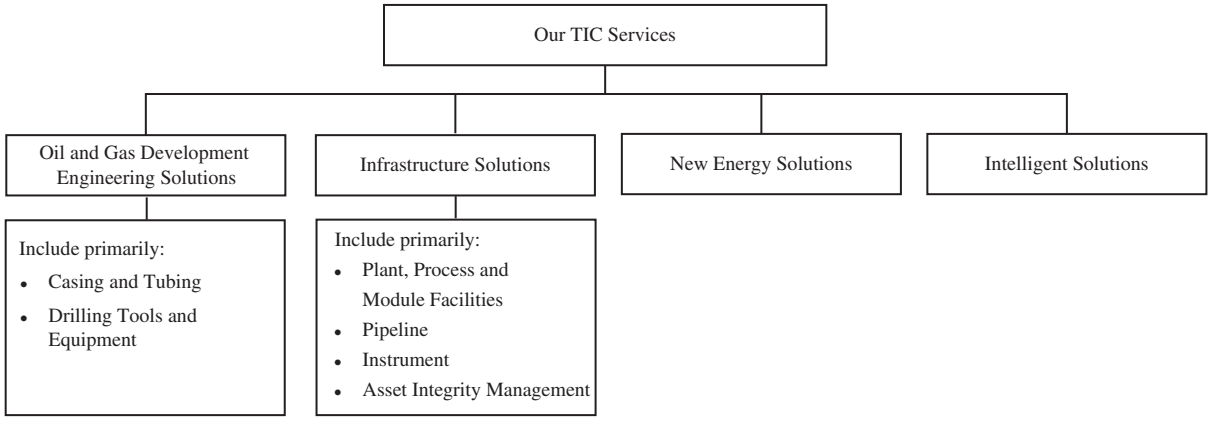
Supported by our professional expertise, advanced testing equipment and extensive experience with global clients, we have built an extensive service network that spans across the PRC, Iraq and numerous other countries and regions. The following map illustrates the geographic coverage of our services as of the Latest Practicable Date.



We have a solid foothold in the PRC, particularly in Xinjiang and Sichuan, and derive the majority of our revenue from the PRC during the Track Record Period. In 2023, 2024 and 2025, our revenue generated from the PRC represents 84.0%, 83.6% and 79.7% of our total revenue for the same periods, respectively. We are also expanding our business operations overseas, with a particular focus on Iraq and other countries in Africa. We established an early presence in the Iraqi market and have gradually scaled up our local market footprint over the years. We believe our global service network has enabled us to provide localized and specialized services to our clients worldwide, meet their diverse needs, and further drive our business development.

OUR SERVICE OFFERINGS

We provide a comprehensive portfolio of testing, inspection and certification services to our customers and support them in improving productivity, reducing repair and maintenance costs, extending the economic life of their assets, and complying with applicable national regulations and international quality and safety standards. The following diagram outlines the structure of our core service portfolio.



The following table sets forth a breakdown of revenue by service offering for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
Oil and gas development engineering solutions	299,649	63.2	272,449	60.9	295,854	59.5
Infrastructure solutions	171,567	36.2	157,468	35.2	179,361	36.1
New energy solutions	2,082	0.5	14,554	3.3	18,870	3.8
Intelligent solutions	643	0.1	2,886	0.6	2,896	0.6
Total	**473,941**	**100.0**	**447,357**	**100.0**	**496,981**	**100.0**

We derive the majority of our revenue from the PRC during the Track Record Period. The following table sets forth a breakdown of revenue by geographic location for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
PRC	398,337	84.0	374,148	83.6	396,087	79.7
Middle East[(1)]	33,268	7.0	39,615	8.9	66,746	13.4
Africa[(2)]	14,147	3.0	13,593	3.0	18,656	3.8
Other countries[(3)]	28,189	6.0	20,001	4.5	15,492	3.1
Total	**473,941**	**100.0**	**447,357**	**100.0**	**496,981**	**100.0**

Notes:

(1) includes Iraq, the United Arab Emirates and Kuwait
(2) includes Chad, Cameroon, South Sudan, and Uganda
(3) includes Kazakhstan, Uzbekistan and Indonesia

In 2023, 2024 and 2025, we undertook 165, 155 and 160 projects, respectively. The slight fluctuations in the number of projects during the Track Record Period reflected the ordinary course of our business operations and represented routine variations inherent in our project-based business model.

Oil and Gas Development Engineering Solutions

Our oil and gas development engineering solutions are a vital part of our business. We deliver professional inspection and testing services for casing and tubing, drilling tools and equipment, and provide solutions for the construction and maintenance of workshops for casing and tubing, drilling tools inspection. Following completion of inspection, we also carry out repairs for defective assets to restore their performance and extend service life. In addition, we offer customized design and precision manufacturing of casing and tubing pup joints to meet specific wellbore operational requirements. To address the challenges of harsh downhole environments, we also provide tubular coating solutions with an aim of enhancing the corrosion resistance, wear performance and overall service life of tubular assets. This robust, integrated service portfolio forms a solid technical and customer base that enables us to scale up our offerings into infrastructure, new energy and intelligent solutions.

Our oil and gas development engineering solutions cover diverse application scenarios across the oil and gas sector, with testing solutions tailored to each key asset and facility type. Set out below are details of our solutions for two core assets:

Casing and Tubing

Casing and Tubing Integrated Services

As of the Latest Practicable Date, we provide an integrated suite of casing and tubing services covering inspection, repair, anti-corrosion treatment, wax control, anti-oxidation coating and processing, which is an indispensable service for oil and gas field development and production wells to prevent incidents such as wellbore collapse and oil and gas leakage caused by structural defects or thread seal failure in casing and tubing. Our casing and tubing integrated services consist of six key components: (i) pipe body preparation and defect inspection, which involves zoned management upon asset recovery, and a series of material preparation procedures including surface oil stain cleaning, grinding and derusting, visual testing of pipe appearance, material sorting, wall thickness measurement and outer diameter measurement. After screening, we perform ultrasonic testing and magnetic flux leakage testing for pipe body defects as well as full-length pipe wall thickness inspection; (ii) thread repair and measurement, covering dimensional accuracy, surface damage and sealing surface integrity. Gas leak detection is additionally carried out during tubing running operations to verify sealing performance and prevent leakage; (iii) in-service condition assessment for downhole casing and tubing, which evaluates corrosion, scaling and fatigue damage to provide wellsite operation guidance; (iv) thread machining and repair, as well as machining of pup joints, couplings and tool accessories, which are tailored to meet the specifications of casing and tubing and ensure their compatibility and reliability; (v) anti-corrosion and wax-proof coating services for casing and tubing to protect them from corrosion and wax deposition; and (vi) compliance inspection, which verifies conformity with industry standards such as API standards and project-specific requirements. This one-stop service not only ensures the safe and continuous operation of oil and gas wells but also helps our customers reduce costs through the recycling of casing and tubing, delivering cost-saving benefits for their oil and gas field development and production.

As of the Latest Practicable Date, we have a professional casing and tubing service team of over 90 technician with valid professional certifications and are able to apply different technologies to address the varying coating requirements across different regional environments. We are also authorized by original casing and tubing manufacturers to provide processing, maintenance and repair services for their products, which attests to our strict compliance with the manufacturers' high technical and quality standards.

The term for our casing and tubing integrated service is determined on a project-by-project basis. We generally enter into long-term framework agreements with our customers, pursuant to which customers place individual purchase orders from time to time for our inspection services. The inspection could be completed in as little as two weeks for urgent assignments. Inspection reports are typically issued within three business days upon completion of the inspection.

Conduct inspection and repair for casing and tubing

Performing precision machining of casing and tubing pub joints

Casing and Tubing Gas Leak Detection

Gas leak detection for casing and tubing is a specialized inspection conducted after field make-up and before running into the well, which uses high-pressure helium-nitrogen mixed gas to test the sealing performance of casing or tubing joint threads. We perform casing and tubing gas leak detection by using high-pressure helium-nitrogen mixed gas and conducting high-pressure testing under actual tensile loading conditions that simulate real production conditions, to verify the sealing performance of threaded connections and identify potential leakage risks in advance.

This detection focuses on verifying the sealing integrity of threaded connections for downhole casing and tubing, which are critical to maintaining wellbore safety and preventing leakage of reservoir fluids during oil and gas production and storage operations. Our casing and tubing gas leak detection is mainly used for natural gas development wells, gas storage wells, hydrogen storage wells, energy storage wells and CCUS wells. We develop customized testing solutions by selecting appropriate testing tools based on pipe string sizes, and coordinate closely with on-site drilling teams to conduct simultaneous testing during casing or tubing running operations.

We have a professional gas leak detection team of over 70 technician as of the Latest Practicable Date. The service term for our casing and tubing gas leak detection generally ranges from four to seven days per well. Testing reports are usually issued within three to five working days upon completion of testing.

Conducting gas leak detection for downhole tubing at drilling platform

Drilling Tools and Equipment

Supported by a professional team of approximately 170 staff, we provide comprehensive inspection, repair and evaluation services for a wide range of drilling tools and equipment essential to oil and gas exploration and production operations, including drilling rig components, drilling pipes, drill bits, as well as BOP, Christmas trees and casing heads.

We conduct inspections in strict accordance with API and other industry standards, focusing on detecting structural defects, fatigue damage, welding irregularities and corrosion on such tools and equipment. Following inspection and defect identification, we offer tailored repair services for defective drilling tools and equipment, including precision maintenance, defect treatment, machining of pup joints and tool accessories, and application of anti-corrosion coatings. All repaired tools and equipment undergo re-inspection to ensure compliance with industry standards, restore structural integrity and operational performance. In addition, we provide periodic inspection and evaluation services for drilling rigs to ensure stable function and performance. These comprehensive services help mitigate major safety risks such as downhole drilling tool fracture, drill body damage and wellhead leakage, ensuring the safe and continuous operation of oil and gas drilling and production activities.

The service term for our drilling tools and equipment inspection, repair and evaluation varies depending on the service location and project scale. Testing reports are usually issued within one week upon completion of testing.

Carrying out ultrasonic testing on drilling tools

Automated drilling tools inspection and maintenance workshop

We derived a majority of our revenue from oil and gas development engineering solutions during the Track Record Period. Our revenue derived from oil and gas development engineering solutions was RMB299.6 million, RMB272.4 million and RMB295.9 million in 2023, 2024 and 2025, respectively, representing 63.2%, 60.9% and 59.5% of our total revenue for the same periods, respectively.

Infrastructure Solutions

Building on our well-established testing expertise on oil and gas development engineering assets, we deliver comprehensive TIC solutions for critical infrastructure assets. Our infrastructure assets mainly encompass three categories, namely, plant, process and module facilities, pipelines, and instrument, with core technical capabilities including NDT, pipeline integrity inspection, leak testing and metrological calibration. We also offer AIM solutions to ensure the integrity and operational safety of critical infrastructure assets across the oil and gas industry value chain. These solutions enable us to systematically identify potential defects, operational risks and compliance gaps at every stage of asset lifecycle, helping our customers' facilities and operations meet industry standards and regulatory requirements.

Plant, Process and Module Facilities

Plant, process and module facilities represent a core asset under our infrastructure solutions, covering a wide range of fixed industrial assets including surface plants and station facilities, petrochemical and industrial production facilities. Our solutions for these assets are built on NDT as the foundation, integrated with leak testing and metrological calibration capabilities to deliver asset integrity solutions for customers across the oil and gas and industrial sectors. We tailor service scopes to the unique operating conditions and risk profiles of each asset type, helping customers uphold operational safety, extend asset service life and meet regulatory compliance requirements.

Core Testing Capabilities

NDT refers to the examination of assets without impairing their future usefulness or structural integrity, and can be conducted and completed without affecting the operational status of infrastructure assets. Backed by a professional team of approximately 170 staff, a comprehensive range of advanced testing equipment, a full suite of conventional and advanced testing technologies and relevant industry qualifications, our NDT capabilities address full-spectrum testing needs across diverse operating scenarios and working conditions. Our equipment lineup includes radiographic, ultrasonic, magnetic particle and penetrant testing equipment, as well as advanced PA, ECT, TOFD, PUT, DR and AUT equipment. In addition, we hold various requisite qualifications including API certification, CMA accreditation, special equipment inspection qualification and laboratory accreditation, and master a complete set of conventional and advanced NDT techniques.

Complementing our NDT techniques, we also conduct leak testing to verify the sealing integrity of pressure-bearing equipment, process piping and sealing components across the oil and gas industry value chain. We deploy a range of proven technologies including nitrogen purging and pressurization, helium-nitrogen leak testing, flange management and industrial cleaning to help customers prevent, detect and resolve leaks. We also provide dedicated helium leak inspection services for steam turbine vacuum systems in power plants. In addition, we provide metrological calibration services for pressure safety valves and other safety relief devices, covering set-pressure verification, functional calibration and periodic re-certification to ensure compliance with relevant safety standards and regulatory requirements.

Asset Category

Our solutions cover two primary asset categories.

- *Surface Plants and Station Facilities.* We provide integrated testing services for above-ground industrial supporting infrastructure, including oil and gas processing plants, storage tanks, metering stations and booster stations. We deploy technical personnel in accordance with operational requirements to conduct structural integrity testing, defect screening and sealing performance verification. We identify potential risks such as corrosion, structural deformation, equipment aging, welding defects and hidden leakage points that may compromise operational stability, and deliver integrated solutions and technical support to enable the safe and efficient operation of surface systems.

Performing eddy current testing on heat exchangers at the process station

Performing leak detection with portable helium leak detector at production station

- *Petrochemical and Industrial Production Facilities.* We deliver testing services for various petrochemical refining facilities, industrial production plants, LNG terminals and large-scale offshore assets such as FPSO. Our services cover core equipment including production units, storage tanks, pressure vessels, process piping, heating furnaces and heat exchangers. We perform weld inspection, corrosion detection and assessment, wall thickness measurement, qualitative and quantitative defect analysis, equipment integrity evaluation and targeted leak testing. Through these services, we help customers identify potential equipment hazards in a timely manner, prevent work safety incidents, extend equipment service life, and ensure compliance with applicable safety regulations and industry standards.

Performing leak detection on LNG facilities

Performing leak detection on petrochemical facilities

Our solutions for plant, process and module facilities are primarily delivered on-site, supported by fully equipped facilities and flexible auxiliary tooling to ensure stable testing performance and reduce testing errors. Our project cycles are highly flexible to accommodate varying customer requirements. Formal testing reports are usually issued within one week upon work completion. For large-scale projects such as full-scope testing for major terminals and FPSO, service durations may extend up to three months. We believe our integrated testing solutions enhance asset safety, operational reliability and regulatory compliance, and in turn help customers reduce overall operating and maintenance costs.

Pipeline

Our pipeline inspection covers surface process pipelines, gathering pipelines and long-distance transmission pipelines. Focused on the operational stability of pipeline systems, we deliver comprehensive pipeline inspection and protection solutions through the application of advanced internal and external inspection technologies. Our service portfolio encompasses internal inspection techniques including magnetic flux leakage inspection, eddy current inspection and ultrasonic thickness measurement inspection, external assessment methodologies such as ECDA and ICDA, as well as pigging services. Leveraging these advanced technical capabilities, we conduct thorough assessments of pipeline infrastructure to evaluate structural integrity, operational safety and compliance with regulatory standards, and systematically identify potential defects, corrosion hotspots, leakage risks and structural weaknesses.

We provide NDT services for both newly constructed and in-service oil and gas pipelines. For newly laid transmission pipelines awaiting commissioning, our inspection prioritises weld joint quality, base material defects, anti-corrosion coating construction quality and geometric dimension deviations. This lays a solid foundation for the safe commissioning and operation of new pipeline projects. We also carry out regular NDT for in-service oil and gas pipelines. Through systematic defect detection and performance evaluation, we help ensure the safe, uninterrupted and stable trans-regional transportation of oil and gas resources.

Performing magnetic flux leakage in-line inspection on pipeline launcher

Performing on-site NDT on pipelines

Instrument

Our solutions for instrument focus on calibrating, verifying and testing precision measuring instruments and testing equipment such as thermal and mechanical metrology instruments, temperature measurement devices, flow meters, and security and safety equipment. Such services are delivered to identify and eliminate measurement deviations and errors arising from instrument inaccuracy, wear and tear, or environmental interference, thereby ensuring that measuring instruments and testing equipment maintain high precision, stability and consistency in performance. We verify the accuracy and reliability of such instruments and equipment in compliance with applicable national metrological regulations, mandatory verification requirements and industry technical standards, which helps to safeguard the accuracy of testing data, support quality control and ensure the safe and standardized operation of our overall inspection and testing services. In addition, we also provide instrument management and related consulting services, including supporting our customers in establishing their in-house metrology laboratories.

Performing instrument calibration and verification in laboratory

Conducting on-site process instrument calibration

Asset Integrity Management

As our strategically focused service offering, we deliver AIM solutions to safeguard the full lifecycle of assets across the upstream, midstream and downstream segments of the infrastructure industries. Leveraging our technical capabilities in testing and inspection as well as digital technologies, we provide integrated AIM services covering inspection of individual equipment as well as overall asset integrity management. The scope of our AIM services includes asset health assessment, criticality analysis, hierarchical asset management, reliability engineering, condition monitoring and evaluation, residual life assessment and life extension, maintenance strategies and operational performance enhancement. These services help our customers systematically secure asset operational safety and reliability, prevent major failures, extend service life, and achieve cost reduction and efficiency improvement throughout the full asset lifecycle.

Our AIM capabilities are exemplified by a landmark full-scope AIM project we delivered in Indonesia, covering multiple production stations such as natural gas processing plants, crude oil processing centers and offshore floating production units and an extensive network of oil and gas pipelines. For this project, we conducted an asset census for a large number of equipment, completed risk assessment for a substantial portion of the pipeline network, and performed NDT on high-risk assets. We also provided additional inspection services in excess of the contractual requirements for various critical assets such as pressure vessels, atmospheric storage tanks, process piping systems, valves and instruments. We identified numerous improvement opportunities and provided our customers with a comprehensive set of improvement recommendations. These efforts help our customers identify risks at an early stage, reduce overall maintenance expenses and decrease unplanned operational downtime.

Our AIM services typically follow a standardized three-phase procedure, i.e. asset registration and classification, asset integrity assessment, and inspection and root cause analysis. In the first phase, our technical team deploys qualified personnel and specialized inspection equipment to collect and collate asset information. We establish standardized asset classification criteria and conduct on-site asset verification to develop a complete understanding of target assets, laying a solid foundation for subsequent risk management. We then develop appropriate assessment tools, carry out systematic on-site surveys of stations, pipelines and critical equipment and assets, define risk matrix models, and conduct risk analysis. Based on the analysis results, we issue an integrity report that identifies and ranks high-risk assets. Afterwards, we formulate detailed inspection plans, perform testing and inspection activities, and deliver formal reports with improvement recommendations.

Our revenue derived from infrastructure solutions was RMB171.6 million, RMB157.5 million and RMB179.4 million in 2023, 2024 and 2025, respectively, representing 36.2%, 35.2% and 36.1% of our total revenue for the same periods, respectively.

New Energy Solutions

Performing testing on in-service wind turbine

Performing pre-installation NDT for wind turbine blades

Extending our TIC capabilities beyond traditional energy, we deliver inspection, testing and supervision services for new energy projects, mainly including wind power, PV and energy storage systems. Through our integrated testing capabilities across diverse new energy scenarios, we help our customers enhance the safety performance and extend the service life of related equipment and systems, and ensure the safe and stable operation of new energy projects.

For wind power equipment, our services include technical supervision and inspection of key components such as wind turbine generators, wind towers, hubs, nacelles, flanges, steel structures, anchor bolts, steel pipe piles, yaw systems, pitch systems, main shafts, and all types of blades. Our professional testing primarily include NDT such as ultrasonic testing and magnetic particle testing for wind tower welds, visual and penetration testing for blades, and structural integrity assessment for nacelles and hubs, aiming to detect defects such as welding irregularities, fatigue cracks, structural deformation, corrosion and blade erosion. For PV facilities, we provide supervision services for relevant components including PV panels, inverters, mounting structures and electrical cabinets, in addition to conducting comprehensive testing and inspection on photovoltaic modules, inverter equipment, combiner boxes, mounting structures and cabling systems. Key testing areas include electromechanical integrity testing, thermal imaging inspection, insulation resistance testing, grounding system verification and structural load-bearing capacity assessment, which help identify potential defects such as cell micro-cracks, delamination, hotspots, electrical connection abnormalities and structural corrosion. For energy storage systems, we offer inspection and testing solutions for battery energy storage systems, covering battery modules and racks, power conversion systems, energy management systems, thermal management units and containerized storage facilities. Our testing scope includes thermal runaway risk identification, internal resistance and capacity testing, insulation and safety performance verification, mechanical integrity assessment of rack structures, as well as NDT and leak detection for cooling and fluid systems, ensuring compliance with industry safety standards and mitigating risks of thermal runaway, fire hazards and system failures. For CCUS facilities, we provide leakage monitoring and detection, specialised tool machining, structural integrity assessment and regular in-service fatigue

evaluation for core pressure-bearing equipment, high-pressure pipelines, storage tanks and wellhead facilities. Our testing focuses on identifying weld defects, wall thickness reduction, corrosion (including hydrogen-induced cracking and stress corrosion cracking), structural deformation and micro-leakage risks.

In addition to testing and supervision, we offer full-lifecycle operation, maintenance and technical services for PV power stations and wind power projects, covering daily maintenance, fault diagnosis and troubleshooting, upgrade and renovation, and risk early warning. Specifically, these services are designed to ensure safe and stable operation of PV and wind power systems and include formulating operation and maintenance plans, executing maintenance tasks, recording and handling faults, monitoring and optimizing performance, implementing safety management, and responding to emergencies.

Our revenue derived from new energy solutions was RMB2.1 million, RMB14.6 million and RMB18.9 million in 2023, 2024 and 2025, respectively, representing 0.4%, 3.3% and 3.8% of our total revenue for the same periods, respectively.

Intelligent Solutions

We are committed to delivering intelligent solutions to customers in the oil and gas and broader energy sectors. Our intelligent inspection platform project has been recognized as an outstanding digital transformation case in China（中國數字化轉型優秀案例獎）. Built on our expertise in the TIC industry and a number of intellectual property achievements, our intelligent solutions mainly comprise equipment, pipeline network, and station and security management. For equipment management, we collect core operational parameters including pressure, temperature and vibration in real time to enable holistic equipment monitoring, early warning and diagnosis of abnormal equipment conditions. We are also able to digitalize operation and maintenance workflows and build standardized digital asset ledgers with profile for each piece of equipment, integrating information such as technical drawings, operation manuals, maintenance records and spare part lists.

In a offshore drilling and workover rig equipment monitoring project, we deployed our intelligent solutions to address common pain points of traditional maintenance such as delayed fault warning and corrective maintenance, scattered operational data, and insufficient remote technical support for offshore on-site teams. We helped our customers establish a digital management system covering drilling and workover rig equipment data collection, data governance and fault prediction, to enable predictive maintenance and operational control. Our solution helps customers improve fault diagnosis efficiency, optimize maintenance resource allocation and remote collaboration.

Our revenue derived from intelligent solutions was RMB0.6 million, RMB2.9 million and RMB2.9 million in 2023, 2024 and 2025, respectively, representing 0.1%, 0.6% and 0.6% of our total revenue for the same periods, respectively.

Synergy Across Our Service Portfolio

Leveraging our service capabilities across oil and gas development engineering, energy infrastructure facilities and new energy assets, as well as various advanced testing methods and equipment including NDT, leak detection and metrological testing, we are able to deliver multi-technology inspection coverage for individual assets and asset integrity management solutions to our customers.

For oil and gas development engineering assets, particularly casing and tubing, we are able to simultaneously provide multiple testing services including full-circumference automatic ultrasonic testing of pipe bodies, ultrasonic thickness measurement, ultrasonic testing of welds, magnetic particle

testing of threaded connections and gas leak detection. This allows us to complete multiple testing tasks in a single site visit and reduce equipment damage caused by repeated disassembly and assembly. Following testing, we provide customers with integrated services including re-inspection, repair, anti-corrosion treatment, paraffin control, anti-oxidation coating application and related processing.

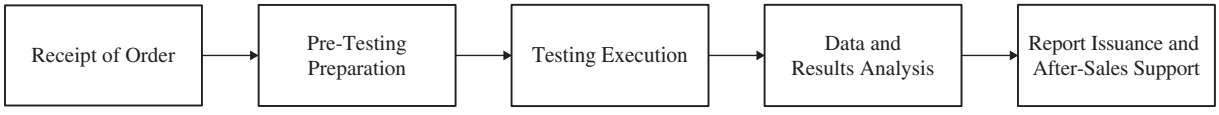
For energy infrastructure assets such as pipelines, surface facilities, stations, FPSO, LNG facilities and refineries, we integrate in-line pipeline inspection, external corrosion inspection, NDT and tank bottom inspection to deliver one-stop services from single-point defect identification to systematic integrity evaluation. For high-value assets such as FPSO and LNG storage tanks, we apply a range of NDT technologies to fully assess hull structures, tank wall plates, process pipelines and valves, which help reduce the detection risk arising from the limitations of one single technology. Within a single station or project, we can coordinate multi-disciplinary testing teams to test pipelines, storage tanks, pressure vessels and electrical equipment simultaneously.

In addition, the testing technologies and asset integrity management experience we have accumulated in the TIC integrated solution market for the oil and gas sector can be extended to other energy and industrial sectors including marine and shipbuilding, construction engineering and chemical. For example, our drilling equipment testing technology can be used in the testing of construction machinery and mine hoists, and our oil and gas pipeline testing capabilities can be transferred to the testing of urban gas pipelines and industrial steam pipelines. Looking ahead, we believe the sector-agnostic nature of our testing and inspection capabilities positions us to expand into additional industry verticals over time.

Our localized service bases, certified professional teams and customer resources can also be shared among our service offerings. We regularly conduct training and knowledge sharing sessions under different service departments to increase our overall service capability. Our integrated service capacity meets the needs of oil and gas field customers and enables us to upgrade from a single service provider to a one-stop solution provider, thereby improving overall service efficiency and enhancing our competitiveness.

SERVICE PROCESS

Aligned with applicable industry standards, our testing and inspection services share a standardized service process unless otherwise required by our customers. The following diagram illustrates the typical service process for our testing and inspection services.



- *Receipt of Order.* Our customers typically issue service orders specifying their requirements. Upon receipt, we review the order and confirm the applicable testing standards and scope with them, following which we formulate a detailed testing plan covering the service timeline, operation site, equipment configuration and safety control requirements.

- *Pre-Testing Preparation.* We arrange site and equipment preparation, including the layout of on-site operation areas and commissioning of testing equipment. We conduct metrological calibration and verification of our testing instruments to ensure compliance with precision requirements. For our casing and tubing inspection services, we also conduct tubular pre-treatment by removing oil, rust and burrs from the surfaces and threaded sections of casing and tubing, to secure full contact between testing probes and tubular surfaces and eliminate factors that may distort test results.

- *Testing Execution.* Our testers, inspectors and approvers who hold necessary technical certifications use our testing equipment and technologies to conduct testing and inspection services in accordance with the pre-agreed standards and testing scope and record raw testing data in real time throughout the entire operation process. During testing, our equipment remains calibrated in accordance with relevant specifications and maintained in valid condition at all times. We systematically retain inspection images, flaw detection curves and pressure test charts for traceability, and implement rigorous in-process quality control at every key operational step to ensure the accuracy, authenticity and compliance of our testing work and results.

- *Data and Results Analysis.* Upon compilation of testing data and results, we then evaluate the data against the pre-agreed industry standards and customer-specified acceptance criteria. We then compile a traceable testing data ledger that integrates all raw detection records, original inspection images, flaw detection curves and pressure test data, with clear labeling of key testing parameters and operation details for complete data traceability.

- *Report Issuance and After-Sales Support.* We issue a formal test report that incorporates a testing overview, applicable industry standards and acceptance criteria, full sets of detailed data, test results, and an itemized list of qualified and unqualified products, with conclusions supported by raw data and original inspection records for complete authority and traceability. Generally, the issuance of a testing report marks the completion of our services. We may also conduct a result presentation for customers, including in-depth analysis of detected defects, their potential causes and operational implications, and provide ongoing after-sales technical support and improvement recommendations to meet customers' subsequent operational and quality control needs. For our casing and tubing inspection services, we usually repair relevant defective tubes and deliver them to an independent third party for further inspection. Once they are confirmed qualified by such independent third party, these tubes will be released and transported to well sites by our customers. Where required by our customers, we will also arrange for technicians to provide technical support for the running of downhole tubular goods at well sites.

MAJOR ASSETS

Equipment

Our testing and inspection services are supported by a comprehensive portfolio of testing, inspection, processing, treatment and cleaning equipment, which primarily includes integrated NDT systems, automated inspection and processing lines, surface treatment and anti-corrosion facilities, as well as cleaning, derusting and handling equipment. Our machinery and equipment generally have a maximum service life of 10 years. As of December 31, 2025, the average estimated remaining useful life of such assets is approximately 47 months. All of our machinery and equipment are currently maintained in good condition and are capable of supporting the stable delivery of our testing and inspection services. We may from time to time procure new machinery and equipment for replacements and/or upgrades, depending on the equipment condition and technological advancements.

We own substantially all of our machinery and equipment, with a small portion leased from qualified equipment suppliers. The equipment we lease mainly includes torque wrenches, selected portable testing instruments and equipment for short-term use.

Vehicles

As of December 31, 2025, we owned 89 vehicles to mainly support our on-site testing and inspection services across oil and gas well sites and pipeline networks. Our fleet primarily comprises engineering service vans, transport vehicles for testing equipment and tubular goods, as well as on-site support vehicles, enabling rapid deployment to remote well fields and timely delivery of on-location

technical support and assistance. As of December 31, 2025, our vehicles generally had an estimated useful life of five years, and the carrying amount of our vehicles amounted to approximately RMB5.3 million.

Maintenance

We maintain a rigorous maintenance system for our owned and leased testing and inspection machinery and equipment. Our technical team conducts regular maintenance or inspection on our equipment to ensure they are in good and stable condition. Repair of our equipment may be performed by relevant supplier or distributor in accordance with warranty policy or by our technical personnel.

QUALITY CONTROL

Maintaining stringent quality control is critical to our business. We have set up a dedicated quality control team responsible for the oversight of our testing and inspection services to ensure compliance with industry standards and consistent delivery of our services. As of the Latest Practicable Date, our quality control team has 63 members. They are usually divided into groups in accordance with their expertise and experience for different services.

We have obtained a certificate from the CNAS, i.e., the Laboratory Accreditation Certificate (實驗室認可證書), and also hold ISO 9001 quality management system certification, API Specification Q1 and Q2 certifications, as well as the DNV service supplier approval certificate. We are one of a very limited number of Chinese members of the TIC Council. In addition, we have been rated as a Class A institution by the China Association of Special Equipment Inspection and hold a valid corresponding rating certificate, which further validates our proven technical competence and qualification to conduct inspection services for special equipment. These credentials attest that our testing and inspection capabilities comply with internationally recognized authoritative standards for professional inspection institutions.

Quality Control System

We have established a standardized and comprehensive quality control system centered on full-process traceability and evidence-based assessment to strengthen the oversight and management of our service quality. Leveraging a clear organizational structure, this system embeds our quality control requirements into the lifecycle of projects and services.

- *Record Management.* We have adopted a record management system to achieve traceability. We require that all data on individual well shall be documented and work records such as daily work reports shall be kept in a timely manner. A weekly and monthly reporting system is in place for equipment management to monitor their operation and maintenance status. All data and documents are integrated into standardized ledgers and stored in both physical and electronic forms, ensuring the traceability of our operations, equipment and testing data.

- *Organization Management.* We designate a project manager as the primary person responsible for the whole project, while the relevant project department establishes dedicated teams for equipment management, general affairs coordination and safety control respectively. We also strengthen the internal collaboration between the project department and relevant production and operation department, where the latter is responsible for the overall planning of our quality control objectives and optimizing quality control strategies based on actual operational conditions. This cross-departmental collaboration is able to effectively ensure the consistent implementation of quality control requirements throughout projects. Furthermore, we have a standardized process to handle testing-related issues covering issue registration, assignment, rectification, verification and conclusion, with relevant departments issuing monthly progress report to ensure the identification and resolution of outstanding matters.

- *Quality Assurance.* We have established a quality assurance system spanning testing methodologies, personnel competency, equipment management and report issuance. All testing methodologies are required to undergo rigorous verification and validation before being admitted into our testing methods list. Our testing personnel is subject to regular assessment through blind sample testing, comparative experiments and internal quality control samples to ensure their professional competency. For our equipment management, we leverage digital capabilities including automated triggers for calibration plans, dynamic updates to equipment status labels and mandatory decommissioning of overdue equipment to ensure the precision of testing equipment across its calibration, operation and maintenance lifecycle. In addition, we require our test report to go through a three-level review and approval process before issuance, with an automated early warning system for key parameter deviations, to ensure rigorous quality control at the final stage.

- *Staff Management and Assessment.* We regularly organize training sessions on core testing compliance requirements to enhance compliance awareness. We apply a multi-dimensional quality assessment system, integrating quality control evaluation results into the assessments of operational teams. We link our performance assessments directly to on-site operational quality. Key indicators such as compliance with operational protocols and quality adherence rates are reviewed on a regular basis. This mechanism is able to support strict implementation of quality control requirements in operational stages.

Technical Standards

Our operations are conducted in strict compliance with applicable regulatory requirements and widely recognized industry standards, and we have additionally formulated and implemented a comprehensive set of internal technical standards to further standardize our testing and inspection practices and ensure stable service quality across our business activities.

We comply with over 800 national and industrial standards in total during the delivery of our services. The following table sets forth certain key national and industrial standards that we follow in our service process.

Standard Code	Standard Name	Issuing Organization	Effective Date
GB/T 11344-2021 . .	Non-Destructive Testing — Ultrasonic Thickness Measurement (無損檢測 超聲測厚)	SAMR and Standardization Administration of the PRC	December 1, 2021
GB/T 25428-2015 . .	Petroleum and Natural Gas Industries — Drilling and Production Equipment — Drilling and Workover Derricks, Masts, and Substructures (石油天然氣工業—鑽井和採油設備—鑽井和修井井架、底座)	SAMR and Standardization Administration of the PRC	April 1, 2016
GB/T 20967-2007 . .	Non-Destructive Testing — Visual Testing — General Principles (無損檢測—目視檢測—總則)	SAMR and Standardization Administration of the PRC	December 1, 2007

Standard Code	Standard Name	Issuing Organization	Effective Date
GB/T 11345-2023 . .	Non-Destructive Testing of Welds — Ultrasonic Testing — Techniques, Testing Levels, and Assessment (焊縫無損檢測—超聲檢測—技術、檢測等級和評定)	SAMR and Standardization Administration of the PRC	June 1, 2024
GB/T 9445-2024 . . .	Non-Destructive Testing — Qualification and Certification of Personnels (無損檢測—人員資格鑒定與認證)	SAMR and Standardization Administration of the PRC	September 29, 2024
GB/T 5777-2019 . . .	Automated Full Peripheral Ultrasonic Testing of Seamless and Welded (except Submerged Arc-welded) Steel Tubes for the Detection of Longitudinal and/or Transverse Imperfections (無縫和焊接(埋弧焊除外)鋼管縱向和／或橫向缺欠的全圓周自動超聲檢測)	SAMR and Standardization Administration of the PRC	May 1, 2020
GB/T 5777-2019/ XG1-2021	Amendment No. 1 to the National Standard "Automated Full Peripheral Ultrasonic Testing of Seamless and Welded (except Submerged Arc-welded) Steel Tubes for the Detection of Longitudinal and/or Transverse Imperfections"(《無縫和焊接(埋弧焊除外)鋼管縱向和／或橫向缺欠的全圓周自動超聲檢測》國家標準第1號修改單)	SAMR and Standardization Administration of the PRC	December 1, 2021
GB/T 22512.2-2008 .	Petroleum and Natural Gas Industries — Rotary Drilling Equipment — Part 2: Threading and Gauging of Rotary Shouldered Thread Connections (石油天然氣工業—旋轉鑽井設備—第2部分：旋轉台肩式螺紋連接的加工與測量)	SAMR and Standardization Administration of the PRC	July 1, 2012

Standard Code	Standard Name	Issuing Organization	Effective Date
GB/T 19190-2025 . .	Petroleum and Natural Gas Industries — Drilling and Production Hoisting Equipment (石油天然氣工業—鑽井和採油提升設備)	SAMR and Standardization Administration of the PRC	May 1, 2026
GB/T 19832-2017 . .	Petroleum and Natural Gas Industries — Inspection, Maintenance, Repair, and Remanufacture of Drilling and Production Hoisting Equipment (石油天然氣工業—鑽井和採油提升設備的檢驗、維護、修理和再製造)	SAMR and Standardization Administration of the PRC	May 1, 2018

The following table sets forth certain key internal technical standards and procedures that we follow in our service process.

Standard Code	Standard Name	Issuing Date
TA-Q1R-02-2021	Qualification Requirements for SNT-TC-1A Non-Destructive Testing Personnel (無損探傷人員SNT-TC-1A資格評定要求)	November 1, 2021
TANDT/WI01-2022. . .	Work Instructions for Drill Pipe Grading Inspection (鑽杆分級檢測作業指導書)	January 1, 2022
TANDT/WI02-2022. . .	Work Instructions for Drill Pipe Electromagnetic Inspection (鑽杆電磁檢測作業指導書)	November 1, 2022
TANDT/WI03-2022. . .	Ultrasonic Testing Work Instructions for Drill Pipes (鑽杆超聲波探傷作業指導書)	March 30, 2025
TANDT/WI04-2022. . .	Work Instructions for Drill Pipe Magnetic Particle Inspection (鑽杆磁粉探傷作業指導書)	January 1, 2022
TANDT/WI05-2022. . .	Work Instructions for Ultrasonic Thickness Measurement (超聲波測厚作業指導書)	June 20, 2024
TANDT/WI06-2022. . .	Work Instructions for ARTIS Electromagnetic Equipment Self-Calibration (ARTIS電磁設備自校準作業指導書)	January 1, 2022
TANDT/WI07-2022. . .	Work Instructions for Ultrasonic Testing of Casing and Tubing (油套管管體超聲波探傷作業指導書)	June 20, 2024
TANDT/WI08-2022. . .	Work Instructions for Drill Collar Inspection (鑽鋌檢測作業指導書)	January 1, 2022

Standard Code	Standard Name	Issuing Date
TANDT/WI09-2022 . . .	Work Instructions for the Inspection of Lifting Rings, Lifting Slings, and Lifting Clamps (吊環、吊卡、吊鉗檢測作業指導書)	January 1, 2022
TANDT/WI10-2022 . . .	Work Instructions for Weighted Drill Pipe Inspection (加重鑽杆檢測作業指導書)	January 1, 2022
TANDT/WI11-2022 . . .	Work Instructions for Self-Calibration of Ultrasonic Flaw Detectors (超聲波探傷儀自校準作業指導書)	January 1, 2022

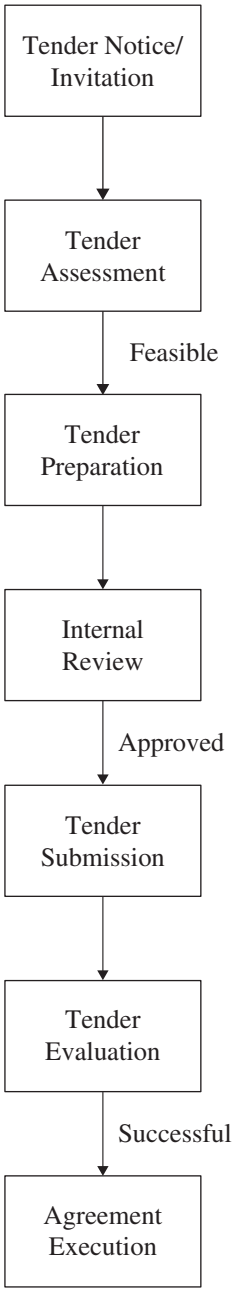
CUSTOMERS

Customer Base

Our customers mainly include oil and gas producers, oilfield engineering and technical service providers, and oilfield pipeline and storage operators, demonstrating that our service covers the entire value chain of oil and gas exploration, production, storage, and transportation. We also serve customers engaged in the new energy businesses. Internationally, we have built a stable customer base of overseas oil and gas operators and oilfield service providers in core markets such as Iraq. We serve primarily a number of large customers with whom we have developed long-term, stable business relationships. We also provide services to other general customers on a service-order basis. Our full-lifecycle, hands-on service model helps us secure customers' trust, raise our brand awareness, thereby supporting the continuous development of our business. Our credit terms vary by customer profile and project type. We generally grant credit terms ranging from six to nine months to our customers.

Open Tender

Most of our customers have adopted open tender policies for outsourcing testing and inspection services. The following diagram illustrates the typical work-flow of an open tender process.



Tender Opportunities and Assessment

We generally identify open tender opportunities through our regular monitoring of publicly available information sources, including industry websites, customer procurement portals, and government tender platforms. We may also receive tender or quotation invitations directly from our customers.

Upon receipt of the tender or quotation details, we organize a cross-functional team to conduct a feasibility assessment of the requirements of the tender. We consider various factors in our assessment including technical feasibility, commercial viability, potential profitability, our expertise and operational

capacity, the availability of our human and equipment resources, project schedule and delivery timelines, and the QHSE requirements set out in the tender or quotation. Based on our assessment results, we will decide whether to bid for the tender or accept the request for a quotation.

Tender Preparation and Submission

If we decide to bid for the tender, we commence the preparation of formal bidding documents in accordance with the tender requirements. The draft bidding documents usually undergo rigorous internal review to verify and ensure the completeness, accuracy and compliance of all content in the documents. Upon the approval of the final bidding documents after the internal review, we proceed with the tender submission.

Tender Evaluation and Agreement Execution

After we submit our bidding documents, the customer will conduct a review and evaluation of such documents. If our technical proposals and comprehensive scoring results meet the relevant thresholds specified by the customer, we will then be awarded the contract. A successful award will lead to formal negotiations on contractual terms. Once all terms are finalized and outstanding matters are resolved, both parties will execute a formal, legally binding service agreement.

Pricing

We typically determine our service prices with reference to, among other factors, the nature and specifications of testing items, the workload, technical complexity of testing methodologies, equipment and personnel costs, distance of service locations, service turnaround time, and prevailing market prices for comparable testing services in the industry. As we consider a number of such factors, our prices may also vary for the specific type of testing services we render. We periodically review and adjust our prices based on the foregoing factors, as well as changes in raw material and equipment maintenance costs and industry and regulatory requirements for testing standards.

Principal Terms of Service Agreements

We generally enter into standardized service agreements under different service offerings with our long-term customers. We also provide services to other general customers on a service-order basis. In cases where services are ordered by our other general customers on a service-order basis, the service orders usually specify the type of services and payment terms, with other provisions substantially similar to those of standardized service agreements.

Major terms of standard service agreements for our services are as follows:

- *Terms.* The terms typically range from one to two years.
- *Scope of services.* The agreements generally specify the scope of services to be provided by us and the relevant on-site service locations.
- *Pricing and settlement.* Service fees for each type of service are itemized in the agreements. Settlement is conducted based on actual work completed, and our customers shall make lump-sum payment of service fees upon confirmation of the settlement and acceptance.
- *Quality and technical requirements.* Detailed quality and technical requirements are stipulated, including compliance with applicable laws and regulations, national and industrial standards, equipment quantity and specifications, and personnel composition and qualifications.

- *Customers obligations.* Our customers are responsible for on-site organization, management and training, oversight of our services, and monitoring of our personnel and equipment. They are also required to provide necessary technical materials, data and samples to support our service delivery.

- *Qualification.* Our personnel shall possess relevant work experience, hold valid professional qualification certificates, and comply with on-site safety management rules and QHSE requirements. Our equipment shall meet applicable national, industry and market standards.

- *Delivery of test results.* The agreements set forth the timeline for delivery of test results, as well as the format and number of test reports to be issued.

- *Termination.* Our customers are entitled to terminate the agreements in the event of our breach of terms related to safety, service quality and anti-corruption.

Customer Service and Management

We prioritize customer service and are committed to achieving high customer satisfaction. We have taken the following measures to strengthen our customer service capabilities and improve customer experience:

- We have established a dedicated department responsible for liaising with customers and managing customer relationships. This department conducts regular customer satisfaction follow-ups to collect feedback, optimize our workflows, and enhance customer loyalty.

- Our personnel conduct on-site customer satisfaction surveys upon project completion to obtain real-time feedback on our services from customers. Customers may also submit their feedback through our official website. Upon receipt of customer feedback, we review and identify issues contributing to unsatisfactory performance, and form task forces to investigate such issues and take corrective actions.

- We maintain stringent quality control throughout the service lifecycle and establish review mechanism for critical processes to reduce errors. We also take necessary measures to protect our customers' properties during our service.

- We also provide regular training to on-site and technical staff to improve professional competence and service awareness.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material customer complaints and disputes.

Major Customers

In 2023, 2024 and 2025, our revenue from the five largest customers in each year during the Track Record Period amounted to RMB390.8 million, RMB351.8 million and RMB394.1 million, respectively, accounting for 82.4%, 78.6% and 79.3% of our total revenue for the respective years. Revenue from our largest customer in each year during the Track Record Period accounted for 49.7%, 51.3% and 52.6% of our total revenue for the respective years.

The following tables set forth the details of our five largest customers in each year during the Track Record Period by revenue for the respective years:

For the year ended December 31, 2023

Customer	Revenue	Percentage of total revenue	Type of services/ products provided	Payment method	Year of commencement of business relationship	Background
	(RMB'000)	*(%)*				
Customer A . .	235,363	49.7%	TIC, OCTG and AIM services	Bank transfer and acceptance bills	2002	A leading state-owned oil and gas corporation headquartered in Beijing. It engages in the exploration, development, production, transportation, and sales of crude oil and natural gas, as well as refining, chemical production, and new energy businesses.
Customer B . .	45,804	9.7%	TIC and OCTG services	Bank transfer and acceptance bills	2006	A leading state-owned integrated energy and chemical corporation headquartered in Beijing. It engages in oil and gas exploration, refining, and the production and sales of petrochemicals.
Anton Oilfield Group.	42,193	8.9%	TIC, OCTG and AIM services	Wire transfer	2016	A leading PRC oilfield technology service group headquartered in Beijing. It engages in the provision of integrated technical services for oil and gas exploration, development and production.
Customer D . .	38,445	8.1%	TIC and OCTG services	Bank transfer and wire transfer	2020	A leading state-owned infrastructure corporation headquartered in Beijing. It engages in the investment, construction, and operation of oil and gas trunk pipelines and storage facilities.
Customer E . .	28,953	6.1%	TIC and OCTG services	Bank transfer and wire transfer	2022	A leading offshore oil and gas producer headquartered in Beijing. It engages in the exploration, development, and production of oil and natural gas offshore, as well as technical services, refining and sales, natural gas and power generation, and financial services.
Total	390,758	82.4%				

For the year ended December 31, 2024

Customer	Revenue	Percentage of total revenue	Type of services/ products provided	Payment method	Year of commencement of business relationship	Background
	(RMB'000)	*(%)*				
Customer A . .	229,500	51.3%	TIC, OCTG and AIM services	Bank transfer and acceptance bills	2002	A leading state-owned oil and gas corporation headquartered in Beijing. It engages in the exploration, development, production, transportation, and sales of crude oil and natural gas, as well as refining, chemical production, and new energy businesses.
Customer B . .	37,874	8.5%	TIC and OCTG services	Bank transfer and wire transfer	2006	A leading state-owned integrated energy and chemical corporation headquartered in Beijing. It engages in oil and gas exploration, refining, and the production and sales of petrochemicals.
Anton Oilfield Group.	33,427	7.4%	TIC, OCTG and AIM services	Bank transfer and acceptance bills	2016	A leading PRC oilfield technology service group headquartered in Beijing. It engages in the provision of integrated technical services for oil and gas exploration, development and production.
Customer D . .	28,258	6.3%	TIC and OCTG services	Bank transfer and wire transfer	2020	A leading state-owned infrastructure corporation headquartered in Beijing. It engages in the investment, construction, and operation of oil and gas trunk pipelines and storage facilities.
Customer E . .	22,725	5.1%	TIC, OCTG and AIM services	Bank transfer and wire transfer	2022	A leading offshore oil and gas producer headquartered in Beijing. It engages in the exploration, development, and production of oil and natural gas offshore, as well as technical services, refining and sales, natural gas and power generation, and financial services.
Total	**351,784**	**78.6%**				

For the year ended December 31, 2025

Customer	Revenue	Percentage of total revenue	Type of services/ products provided	Payment method	Year of commencement of business relationship	Background
	(RMB'000)	*(%)*				
Customer A . .	261,448	52.6%	TIC, OCTG and AIM services	Bank transfer	2002	A leading state-owned oil and gas corporation headquartered in Beijing. It engages in the exploration, development, production, transportation, and sales of crude oil and natural gas, as well as refining, chemical production, and new energy businesses.
Customer F . .	38,725	7.8%	OCTG services	Wire transfer and acceptance bills	2024	A PRC petroleum machinery manufacturer headquartered in Puyang, Henan. It engages in the manufacturing of specialized equipment, including oil pipes, rods, and general machinery and equipment.
Anton Oilfield Group.	38,542	7.8%	TIC and OCTG services	Wire transfer and acceptance bills	2016	A leading PRC oilfield technology service group headquartered in Beijing. It engages in the provision of integrated technical services for oil and gas exploration, development and production.
Customer D . .	37,595	7.6%	TIC, OCTG and AIM services	Wire transfer and acceptance bills	2020	A leading state-owned infrastructure corporation headquartered in Beijing. It engages in the investment, construction, and operation of oil and gas trunk pipelines and storage facilities.
Customer B . .	17,797	3.6%	TIC and OCTG services	Bank transfer and wire transfer	2022	A leading state-owned integrated energy and chemical corporation headquartered in Beijing. It engages in oil and gas exploration, refining, and the production and sales of petrochemicals.
Total	**394,107**	**79.3%**				

During the Track Record Period, the credit period we granted to Anton Oilfield Group was relatively longer than that we granted to our other major customers. This longer credit term was mutually agreed upon between the parties, primarily due to: (i) the long-term relationship, familiarity and trust established between us and Anton Oilfield Group over the years. We have relatively low level of concern over Anton Oilfield Group's credibility; and (ii) our willingness to maintain mutually beneficial relationship with Anton Oilfield Group. Our Directors further confirmed that all of our transactions with Anton Oilfield Group were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis.

As of the Latest Practicable Date, except for Anton Oilfield Group, all of our five largest customers in each year during the Track Record Period were Independent Third Parties and none of our Directors, their close associates or any of our Shareholders (who owned, or to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Customer Concentration and Diversification

During the Track Record Period, revenue generated from our five largest customers contributed to a major portion of our revenue. The concentration in our customers reflects the structure of our customer base, which primarily comprises large-scale state-owned enterprises in the oil and gas industry. Specifically, Customer A is a leading state-owned enterprise with dominant market positions in China's

oil and gas sector, with substantial business demand and extensive operational networks. We have maintained cooperation with a large number of its subsidiaries and branches. Given its dominant positions in the market, it is common for leading providers of TIC services to have a relatively high level of reliance on Customer A, according to Frost & Sullivan. While such customer concentration exposes us to potential fluctuations in demand from these key clients, we have maintained stable relationships with these customers through our professional testing and inspection capabilities, and ability to meet their customised service requirements. We work closely with these customers to ensure our services satisfy their stringent technical and operational standards. In addition, we have maintained long-term and stable cooperation with Customer A. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with Customer A, or any other major customer.

To further mitigate customer concentration risk and reduce our reliance on major customers, we have implemented a series of diversification strategies:

- In recent years, we have steadily secured new customers and deepened cooperation with major enterprises including national pipeline operators and international oil companies.

- While our customer base was initially concentrated in the upstream oil and gas development sector, we have proactively diversified our operations into the full oil and gas value chain, covering midstream storage and transportation, downstream refining and chemicals, as well as emerging sectors such as new energy and energy storage.

- We have steadily expanded our overseas business operations to reduce over-reliance on any single customer group or geographical region.

- We keep improving service standardization and developing more versatile TIC services that are applicable to a wider range of industries and customers.

SUPPLIERS

We mainly purchase machinery and equipment, raw materials and transportation services from suppliers to support our business operations and we also lease a small volume of equipment such as torque wrenches from our suppliers. Our raw materials primarily consist of low-value consumables, blank oil casings, raw gas and personal protective equipment, most of which are sourced from suppliers in China. We typically adopt a tendering and bidding approach for procurement. For most of our procurement activities, we typically sign purchase agreements or long-term framework agreements based on our project needs. We also use a centralized purchasing model for the procurement of low-value consumables, personal protective equipment and transportation services to streamline the procurement process for these high-frequency daily operational needs. Our suppliers typically grant credit terms of 90 to 180 days to us.

Supplier Selection and Management

We maintain a dynamic qualified supplier list for our procurement activities and supply chain management. We have also formulated a supplier management policy to streamline the processes for the selection, evaluation and management of suppliers. Our team including procurement, product, QHSE and legal departments collaborate to manage our suppliers and maintain our supplier management system.

To ensure the quality, reliability and compliance of our suppliers, we establish a category-specific and standardized selection and evaluation system tailored to different supplier types, with clear selection and evaluation criteria and scoring mechanisms. Our selection process integrates universal criteria applicable to all suppliers, including their background, reputation, experience and compliance with the applicable laws and regulations, as well as specialized requirements aligned with particular business

scenarios, ensuring comprehensive supplier qualification review before they are admitted to our supplier list. For example, prior to engaging with materials and fixed asset suppliers, we evaluate factors such as their qualifications and certifications, quality control systems, historical records of product quality incidents, as well as pricing competitiveness and delivery timeliness. For high-risk operation service providers such as those providing on-site work, infrastructure engineering, and equipment leasing services, we place top priority on QHSE management capabilities in our evaluation criteria. Specifically, we consider the completeness of their QHSE management frameworks and systems, verify the establishment and effectiveness of their major hazard identification and control mechanisms, and check whether their key personnel (including safety directors and operation supervisors) hold required safety management certifications. We also check if the special equipment involved in their services has passed relevant professional inspections and obtained required safety certificates or safety marks. Operational experience is another key criterion. We require their on-site personnel to have relevant certificates and service experience. Additionally, we evaluate their on-site safety measures, including labor protection equipment allocation and implementation of safe operation procedures. Any supplier with unqualified equipment will be directly excluded from our qualified supplier list.

Based on the aforementioned criteria, our procurement team pre-screens supplier candidates by reviewing their documents and certificates and directly exclude under-qualified suppliers from the candidate pool. We may conduct onsite inspection on those candidates who pass our pre-screening process on an as-needed basis to evaluate their equipment conditions, quality control processes and safety management implementations and to check consistency between documents and actual operations. Based on our scoring system, only candidates meeting the pre-defined threshold will be admitted in our qualified supplier list.

After our cooperation commences, we periodically review and evaluate the performance of our suppliers. Our evaluation covers a comprehensive range of factors, including but not limited to the supplier's business scale, workforce, qualifications, credit terms, cooperation willing, QHSE management and service support. Our teams usually conduct on-site visits on suppliers to assess their production, quality control and R&D capabilities. We conduct assessments on suppliers on annual basis and reach conclusions by integrating the findings of routine and special assessments. In the event of any misconduct by a supplier, we would submit and file the relevant violation records for the upcoming annual assessment. Any cooperation with suppliers that fail to meet our requirement and take rectification measures shall be terminated.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulty in procuring raw materials or services from our suppliers nor did we have any dispute with any of our suppliers that could have a material adverse effect on our business, financial condition and results of operations.

Key Contractual Terms of Supply Agreements

The salient terms of our supply agreements with raw materials and equipment providers are set forth below:

- *Products.* The agreements generally specify the details of products to be purchased by us, including type, specifications, quantity, origin and unit price.

- *Delivery.* The agreements generally set forth the details of product delivery such as the delivery methods, locations and timeline.

- *Payment.* We shall make payment within prescribed period upon confirmation of product acceptance. For framework agreements, the payment is usually settled on a monthly or quarterly basis. The payment method could be by wire or bank transfer.

- *Warranty*. Suppliers are responsible for equipment maintenance and replacement during the warranty period, which is typically twelve months commencing from the date of acceptance, excluding damage caused by human error or misuse.

- *Quality*. Suppliers shall ensure products to meet relevant national, industrial and QHSE standards and requirements.

- *Transportation*. Suppliers are responsible for the transportation of goods and shall bear all related transportation costs. All risks associated with the goods in transit shall be borne by the suppliers.

- *Training and after-sale services*. Suppliers shall provide necessary technical training and support as well as after-sale services as requested by us.

- *Termination*. We are entitled to terminate the agreements if suppliers breach any material terms, including but not limited to failure to deliver goods, delivery delay, product quality defects, unauthorized assignment of contractual rights and obligations without our prior written consent and, breach of representations, warranties or confidentiality obligations.

Major Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers during the Track Record Period amounted to RMB48.1 million, RMB39.0 million and RMB56.5 million, respectively, representing 28.7%, 26.0% and 34.3% of our total purchases for the respective years. Purchases from our largest supplier in each year during the Track Record Period accounted for 12.2%, 9.6% and 13.4% of our total purchases for the respective years.

The following table sets forth the details of our five largest suppliers in each year during the Track Record Period by purchase amount for the respective years:

For the year ended December 31, 2023

Supplier	Purchase amount	% of total purchase	Products/services purchased	Method of settlement	Year of commencement of business relationship	Credit term	Background
	(RMB'000)						
Supplier A . .	20,520	12.2%	Couplings	Wire transfer and acceptance bills	2022	Three months	A PRC petroleum machinery company headquartered in Wuxi, Jiangsu. It engages in the manufacturing and sales of petroleum machinery and equipment.
Supplier B . .	8,598	5.1%	Couplings	Wire transfer and acceptance bills	2019	Three months	A PRC steel pipe supplier headquartered in Shanghai. It engages in the production and sales of petroleum pipelines and the wholesale of metal materials.
Supplier C . .	7,818	4.7%	Fiber-reinforced plastic	Wire transfer	2023	Payment within 25 days upon receipt	A high-tech enterprise headquartered in Yangzhou, Jiangsu. It engages in the research, development, and manufacturing of high-performance fiber-reinforced composite materials, ducts, and pipelines for the oil and gas industry.
Supplier D . .	6,593	3.9%	Non-marking tubing tong make-up services	Wire transfer and acceptance bills	2021	Two-month back-to-back payment	A PRC oilfield technical service company headquartered in Bayingolin, Xinjiang. It engages in the provision of technical services for the energy sector.
Supplier E . .	4,586	2.7%	Equipment and production lines and related installation and construction services	Wire transfer and acceptance bills	2014	Two months	A PRC petroleum machinery manufacturer headquartered in Puyang, Henan. It engages in the manufacturing of specialized equipment, including oil pipes, rods, and general machinery and equipment.
Total	48,114	28.7%					

For the year ended December 31, 2024

Supplier	Purchase amount	% of total purchase	Products/services purchased	Method of settlement	Year of commencement of business relationship	Credit term	Background
	(RMB'000)						
Supplier A . .	14,412	9.6%	Couplings and C110 blanks	Wire transfer and acceptance bills	2022	Three months	A PRC petroleum machinery company headquartered in Wuxi, Jiangsu. It engages in the manufacturing and sales of petroleum machinery and equipment.
Supplier B . .	11,241	7.5%	API tubing couplings	Wire transfer and acceptance bills	2019	Three months	A PRC steel pipe supplier headquartered in Shanghai. It engages in the production and sales of petroleum pipelines and the wholesale of metal materials.
Supplier F . .	4,945	3.3%	Anti-corrosion materials	Wire transfer and acceptance bills	2013	Three months	A leading high-tech enterprise and benchmark enterprise headquartered in Chengdu, Sichuan. It engages in the research, development, production, and sales of drill pipes, oil casings, and other anti-corrosion materials.
Anton Oilfield Group. . . .	4,719	3.1%	Raw materials	Wire transfer	2024	Three months	A leading PRC oilfield technology service group headquartered in Beijing. It engages in the provision of integrated technical services for oil and gas exploration, development and production.
Supplier H . .	3,698	2.5%	Electromagnetic transmission, cleaning equipment, lathe auxiliary unit and loading and unloading rack	Wire transfer and acceptance bills	2023	60 days	An intelligent equipment manufacturer headquartered in Suining, Sichuan. It engages in the research, development, and manufacturing of copper clad laminate and printed circuit board turnkey intelligent manufacturing equipment and volatile organic compounds environmental protection equipment.
Total.	39,015	26.0%					

For the year ended December 31, 2025

Supplier	Purchase amount	% of total purchase	Products/services purchased	Method of settlement	Year of commencement of business relationship	Credit term	Background
	(RMB'000)						
Supplier H	22,080	13.4%	NDT production lines	Wire transfer and acceptance bills	2023	Two months	An intelligent equipment manufacturer headquartered in Suining, Sichuan. It engages in the research, development, and manufacturing of copper clad laminate and printed circuit board turnkey intelligent manufacturing equipment and volatile organic compounds environmental protection equipment.
Supplier B	15,746	9.6%	Couplings	Wire transfer and acceptance bills	2019	Three months	A PRC steel pipe supplier headquartered in Shanghai. It engages in the production and sales of petroleum pipelines and the wholesale of metal materials.
Supplier A	7,228	4.4%	Couplings	Wire transfer and acceptance bills	2022	Three months	A PRC petroleum machinery company headquartered in Wuxi, Jiangsu. It engages in the manufacturing and sales of petroleum machinery and equipment.
Supplier I.	5,848	3.6%	Technical services	Wire transfer and acceptance bills	2023	30-day back-to-back payment	A pipeline inspection technology company headquartered in Shenyang, Liaoning. It engages in pipeline leakage and magnetic flux leakage inspection services.
Supplier J.	5,553	3.4%	Couplings	Wire transfer and acceptance bills	2024	Three months	A high-tech enterprise headquartered in Tianjin. It engages in the manufacturing of petroleum drilling and production equipment.
Total.	56,456	34.3%					

As of the Latest Practicable Date, except for Anton Oilfield Group, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties and none of our Directors, their close associates or any of our Shareholders (who owned, or to the knowledge of our Directors, had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

OVERLAP BETWEEN CUSTOMERS AND SUPPLIERS

Customer F was among our five largest customers in 2025, and was also among our five largest suppliers, indicated as Supplier E, in 2023. The following table sets forth the details of purchase amount paid to and revenue generated from Customer F/Supplier E, and other background information, for the years indicated.

Customer/supplier	Five largest customer/ supplier status	Year	Revenue	Nature of revenue	Purchase amount	Nature of purchase
			(RMB'000)		*(RMB'000)*	
Customer F/Supplier E	Among our five largest customers in 2025; among our five largest suppliers in 2023	2025 2023	38,725	OCTG services	4,586	Equipment and production lines and related installation and construction services

Anton Oilfield Group was among our five largest customers in 2023, 2024 and 2025, and was also among our five largest suppliers in 2024. The following table sets forth the details of purchase amount paid to and revenue generated from Anton Oilfield Group, and other background information, for the years indicated.

Customer/supplier	Five largest customer/ supplier status	Year	Revenue	Nature of revenue	Purchase amount	Nature of purchase
			(RMB'000)		*(RMB'000)*	
Anton Oilfield Group .	Among our five largest customers in 2023, 2024 and 2025; among our five largest suppliers in 2024	2023 2024 2025 2024	42,193 33,427 38,542	TIC, OCTG and AIM services	4,719	Raw materials

Our sales to such customer/supplier above were not conditional upon purchases from it, and vice versa. All sales to and purchases from such customer/supplier were conducted in the ordinary course of business, based on normal commercial terms and negotiated on an arm's length basis. The terms of our agreements with such customer/supplier were generally consistent with those entered into with other suppliers and customers. During the Track Record Period, there were no instances where trade payables to such customer/supplier were offset against trade receivables from it, nor were there any instances where trade receivables from such customer/supplier were offset against trade payables to it.

SALES AND MARKETING

We have a dedicated sales and marketing team with extensive experience, which are responsible for implementing our marketing strategies. As of December 31, 2025, our sales and marketing team had a total of 60 members.

We are committed to establishing our brand as a leading provider of testing and inspection services in the TIC industry. We adopt various branding and marketing activities to enhance brand awareness, expand consumer base and support our business development.

- We proactively take part in domestic and international oil and gas industry expos, professional conferences and technical seminars focusing on exploration, production, refining and pipeline operations. At such events, we showcase our full portfolio of testing and inspection solutions, share proprietary technical insights and industry practices.

- We build long-term partnerships with industry players, including oil and gas producers, refineries, pipeline operators and EPC contractors. We also conduct customized one-on-one client outreach and solution presentations, aligning our testing and inspection services with their specific operational and compliance requirements.

- We develop and distribute professional content including technical white papers, successful project case studies and industry analysis reports. These materials are released through our official website and professional industry media platforms, demonstrating our technical capabilities, project execution capabilities and proven track record in addressing testing and inspection pain points in the oil and gas industry.

RESEARCH AND DEVELOPMENT

Our R&D activities are focused on developing new testing and inspection technologies, optimizing the technical accuracy, operational efficiency and service reliability of our testing and inspection business, as well as enhancing the functionality, intelligence and automation capability of our proprietary systems. Our R&D capabilities are demonstrated by professional R&D personnel, well-equipped laboratories and standardized R&D management systems. We have an experienced R&D team with strong R&D capabilities, solid professional expertise and educational backgrounds from renowned universities and institutions. As of the Latest Practicable Date, we had 50 staff for R&D with an average of over 10 years' relevant experience. As of the same date, over 45% of our R&D staff held a bachelor's degree or above and 40 of them held professional qualifications such as NDT certificates and metrologist certificates. We consider our R&D team to be one of our most valuable assets. Our key R&D personnel have entered into non-compete agreements and confidentiality agreements with us to protect our intellectual property and maintain the stability of our R&D team. We do not allow our R&D personnel to engage in any part-time employment outside, ensuring that their time, energy and expertise are fully dedicated to advancing our research objectives. These agreements, together with our internal management policies, form a robust framework that safeguards our technological advantages and supports the continuous development of our R&D capabilities.

We have established a network of regional laboratories with a division of core competencies to meet our testing and R&D requirements. Strategically located across Xinjiang, Sichuan and Chongqing in China, as well as Basra in Iraq, our laboratories are equipped with a comprehensive suite of advanced testing and analytical instruments. Below sets out a brief introduction to our laboratories, including their respective R&D focus and key equipment:

- *Xinjiang Laboratory*. As our core technical base, our Xinjiang laboratory is dedicated to research projects related to NDT and casing and tubing inspection. It is furnished with ultrasonic testing equipment, magnetic particle flaw detectors, full-range physical and chemical testing systems such as tensile, compression, torsion and shear testers, single-point thread measuring instruments, precision gauges, as well as full-process production, processing and testing assembly lines.

- *Chengdu Laboratory.* It is responsible for physical and chemical property testing and provides technical support for our metrology testing.

- *Suining Laboratory.* This laboratory focuses on the inspection and testing of special equipment and safety protection equipment, equipped with safety valve calibration devices, gas cylinder testing systems and electrical safety apparatus testing instruments as well as other specialized equipment.

- *Chongqing Laboratory.* Our Chongqing laboratory provides precision instrument calibration services for pharmaceutical and chemical industries, housing sets of advanced calibration equipment including precision dew point meters, Class II standard platinum resistance thermometers, Class I standard platinum-rhodium 10-platinum thermocouples, temperature and humidity calibration chambers, precision digital pressure gauges, multi-functional comprehensive calibrators and E2 class weights.

- *Basra Laboratory.* Our Basra laboratory comprises four sub-laboratories, i.e. gas testing, safety valve testing, pressure testing and NDT laboratories. Its core equipment includes gas cylinders, safety valve calibration bench, pneumatic test benches, pressure modules and key NDT instruments such as ultrasonic thickness gauges, ultrasonic flaw detectors, magnetic flux leakage detectors and direct current voltage gradient testing equipment. This laboratory focuses on magnetic flux leakage testing, ultrasonic testing and PUAT techniques, and also conducts R&D on calibration principle upgrading and performance optimization of safety valves, alarms, pressure instruments and safety protection equipment for on-site industrial applications.

To further strengthen our R&D capabilities, we established the Abu Dhabi Institute of Asset Integrity in 2025. Led by our technical specialists and supported by NDT and monitoring equipment, the institute conducts research on pipeline and tubular technologies. It is also dedicated to refining and optimizing our TIC methodologies, and advancing asset integrity research from individual equipment to integrated asset systems.

We also established an R&D management committee in 2023 to strengthen our management of R&D projects. The committee is responsible for overseeing our R&D initiatives, including project initiation review, progress monitoring, resource allocation, performance evaluation and risk control. It also coordinates cross-departmental collaboration and aligns R&D strategies with our business goals to ensure the efficient implementation of our research.

To streamline our R&D process and improve R&D efficiency and control R&D quality, cost and progress, we have put in place an R&D project management system. Firstly, we conduct feasibility analysis and research to determine whether or not to initiate a particular R&D project. Upon confirmation of feasibility, we compile relevant materials based on our analysis and research results and submit them to the R&D management committee for review and approval. After obtaining approval, we set up a project team to conduct R&D based on the budget and plan approved and strictly record our R&D activities on a regular basis for verification and inspection. Daily and weekly meetings are usually held to discuss any issue during this process and set plans for next stage. The project team is required to report to the R&D management committee regularly on the progress, conduct progress and deviation analysis and propose improvement measures for any deviations. In the event that a material deviation from the R&D plan is identified or the project is assessed to have limited applicability to our business, we may take correction measures or decide to terminate the project. Once the project is complete, our R&D management committee will conduct a final review to compare expected and actual results.

Through the efforts of our R&D team, advanced laboratory support and standardized management system, we have achieved notable R&D results. For example, in 2025 we upgraded our radiographic film interpretation technology by integrating AI-powered intelligent defect recognition technology into our system, enabling the intelligent transformation of our NDT business. For casing and tubing testing, we have completed the semi-automated and full automation transformation of relevant processes and developed an automatic path drilling machine, which has reduced manual involvement and routine inspection workload. We have also completed the R&D and design of buttress threads for surface pipeline gas tightness testing, further expanding the scope of service products. In gas leak detection, we have broken through the technical limitation of only covering casings under 5.5 inches and successfully achieved testing of large-size casings in 2025, which expands our service coverage and enhances our competitive strength in the casing and tubing testing sector. In addition, we have completed the development of standardized on-site control for gas leak detection and an intelligent equipment inspection system, which strengthens the compliance management and intelligent control of our service delivery.

We have been recognized as a Specialized, Refined, Differentiated and Innovative "Little Giant" Enterprise (專精特新小巨人企業), which is awarded by MIIT, a High-tech Enterprise (高新技術企業), a National Intellectual Property Advantage Enterprise, and accredited as a Postdoctoral Research Workstation (博士後科研工作站), which is a testament to our technological innovation capabilities. As of the Latest Practicable Date, we had 40 registered inventions in China, relating primarily to gas tightness testing devices, testing auxiliary tools and equipment and other detection and supporting equipment. For more details, see "— Intellectual Property Rights."

In addition to our in-house R&D efforts, we have collaborated with universities and research institutions to strengthen our testing capabilities and drive technological innovation. In 2023, we collaborated with China University of Petroleum (中國石油大學) on two research projects, namely, inertial measurement unit and foam eddy current internal inspection. We also partnered with Shanghai Jiao Tong University (上海交通大學) to develop a prototype of the foam-type pipeline eddy current internal detector. Such cooperation not only leverages their academic research advantages, but also ensures that the R&D results are exclusively used to support our business development.

We plan to continue investing in our R&D capabilities to advance our testing technology and equipment, and upgrade our existing information technology systems and platforms to achieve intelligent transformation.

INFORMATION TECHNOLOGY SYSTEMS

We have adopted various information technology systems to support our business, finance, administrative and human resources management and other major aspects of our operations. Our business systems are built on an enterprise management platform procured from a third-party service provider and supported by cloud infrastructure and other underlying servers. Through these systems, we have established a comprehensive customer and supplier information database, which enables centralized management of their basic information and cooperation records, and supports our business engagement, cooperation evaluation and settlement processes. As one of our core systems, this enterprise management platform focuses on integrating decentralized business data across our Group, streamlining business processes, and enabling standardized and digitalized management of our key businesses, such as projects, procurement, sales, finance, budgeting and fund management. For instance, our procurement system is real-time linked to the financial system, which directly supports financial settlement and the conduct of audit work.

We maintain an official website to display our corporate image, promote business and handle customer inquiry. In addition, we have developed a series of proprietary AI-powered management platforms to support the digitalization and standardization of our testing and inspection operations.

NDT Management Platform

Our NDT management platform supports the full lifecycle management of NDT projects, including customer demand analysis, project setup, inspection planning, data acquisition and analysis, defect tracking, information entry and result recording, and report generation, review and delivery management. It enables the integration of testing data from diverse sources, such as ultrasonic, radiographic and magnetic particle testing equipment, and provides tools for defect classification, trend analysis and historical comparison.

In addition to the standard workflow management, the platform delivers asset and operational management capabilities tailored for our drilling tool testing business. It centralizes project ledger management, supports drilling tool asset onboarding and inquiry, and automates the generation, approval, verification and authenticity validation of wellsite delivery reports. Furthermore, this platform integrates AI-powered defect recognition capabilities for inspection images, designed to reduce manual intervention and subjective variations inherent in manual film reading and analysis. Consequently, it not only helps improve the accuracy of our NDT film reading processes but also promotes standardized issuance of inspection reports, while mitigating the inefficiencies and risks associated with manual data entry.

NDT management platform operation interface

Casing and Tubing Management Platform

Our casing and tubing management platform focuses on the digital management of OCTG throughout their lifecycle, and integrates warehousing, materials management and inspection services. It incorporates six core modules covering tubular goods management, raw materials management, warehousing operations and maintenance, image archiving and traceability, standard parameter dictionaries and inspection information management. These modules enable online inbound and outbound management, physical inventory counting, grid-based warehousing management, image-based traceability and filing, standard parameter management and full-process record retention for inspection activities. Core business data collected by the platform include warehouse inbound and outbound documents, storage zone locations, stack arrangements and bin allocations, as well as tubular goods information. In addition, the platform is equipped with a mobile application that supports on-site scanning and verification of storage stack locations and online processing of inbound and outbound registrations. This mobile application helps realize paperless and real-time operations and improve warehousing turnover and on-site management efficiency.

Leveraging its visual management capability for warehouses, our casing and tubing management platform aims to realize traceability and control over warehouse stacks and dynamic inventory levels, enabling real-time monitoring of asset status, optimized allocation of warehousing resources, efficient material turnover and utilization of storage space.

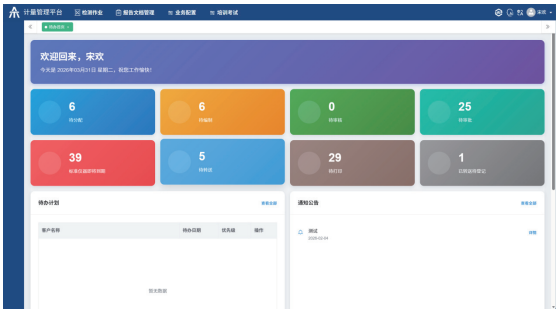
Visual warehouse management dashboard of casing and tubing management platform

Metrology Testing Management Platform

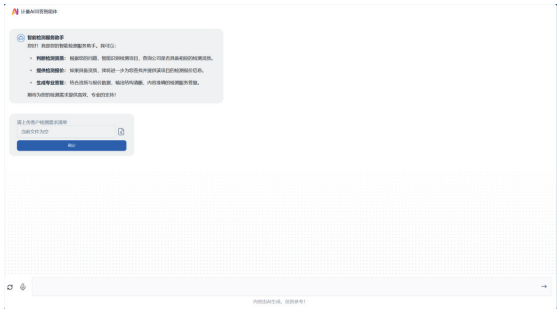
Our metrology testing management platform supports the execution of metrology testing workflows, covering customer demand analysis, sample registration, task allocation, testing process tracking, data entry, result recording, report generation, and quality review. It also ensures traceability of measurement data, facilitates compliance verification against applicable national and industry standards, and supports the formulation and implementation of standardized testing protocols. Additionally, the platform performs in-depth statistical analysis of testing data to identify operational trends and drive continuous quality improvement.

Beyond core testing processes, the platform integrates comprehensive operational and human resource management capabilities. It automates order entry, document circulation, instrument delivery following report preparation, and certificate issuance, while enabling staff piecework performance tracking. The system also provides centralized management of reference materials and measuring instruments, including calibration scheduling and maintenance records. Furthermore, it is able to administer tester qualifications, organize staff training and examinations, and conduct performance appraisals to optimize workforce efficiency.

Notably, this platform is equipped with an AI metrology assistant and a metrology knowledge base chatbot, which provide our employees with real-time, comprehensive guidance on instrument standards, specifications and regulatory requirements. These intelligent features are able to enhance the efficiency and accuracy of our quotation preparation and may replace traditional manual qualification verification and quotation processes.



Metrology testing management platform operation interface



AI metrology assistant

Smart Factory Management Platform

We have developed a smart factory management platform for our bases to address on-site issues such as aging equipment, insufficient intelligent support and rudimentary manual management, which may lead to inspection oversights and supervision gaps. The platform consists of three core modules. The AI monitoring and warning module automatically identifies unsafe work behaviors and potential fire hazards around the clock, triggers timely alerts and retains relevant image records. The digital visualization management dashboard restores our bases' actual layout through 3D modeling, and centrally displays real-time data on equipment status, business volume, energy consumption and site security. The smart access control module manages the entry and exit of staff, visitors and vehicles, with identity verification and access permission control, and keeps complete access records for traceability. We believe this platform helps us reduce on-site manpower input, improve operational efficiency, and facilitate refined operation.

3D visualization management dashboard

As the security and integrity of our business and operational data is very important to our business operations, we have taken the following measures to protect our data and prevent data security incidents.

- A dedicated team of information security engineers is maintained to oversee the daily management and maintenance of our IT infrastructure and security systems.
- We adopt a hybrid storage model combining local and cloud-based encrypted backup for data storage to ensure data security, integrity and recoverability in the event of system failures or disasters.
- We implement access permission control to protect our data and allocate access to our information systems in line with job roles and responsibilities. Server whitelists and multi-layered firewalls are also deployed to mitigate external cyber threats.
- We conduct regular review on our information systems and have formulated procedures and contingency plans in responses to data security incidents such as data leakage and cyber-attack. Upon detection of any incident, the contingency plan will be immediately activated to conduct risk investigations, mitigate data losses and hold responsible staff accountable.
- We also continuously refine and update our data security policies and conduct relevant training sessions to raise staff awareness of cybersecurity risks and ensure compliance with relevant regulations.

INTELLECTUAL PROPERTIES

Intellectual property plays a key role in our business operations. As of the Latest Practicable Date, we were the registered owner of 84 patents, 17 copyrights, one trademark and one domain name in China. For details of our material intellectual property rights, see "Appendix V — Statutory and General Information — Our Material Intellectual Property Rights."

We primarily rely on a combination of patent, trademark, copyright and other intellectual property protections laws in the jurisdictions in which we operate, internal policies and contractual rights, such as confidentiality agreements, to protect our intellectual property rights. We implement the national standard for intellectual property management to protect our intellectual property. In addition, we have entered into confidentiality agreements with our employees or third parties to prevent unauthorized disclosure and use of our intellectual property rights. Our employment contracts also stipulate that any intellectual property created by such employees during their employment shall belong to us if such intellectual property is developed in the course of performing their duties.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties. To the best knowledge of our Directors, they are not aware of any potential or threatened litigations and claims in relation to any intellectual property infringement that was material to us during the Track Record Period and up to the Latest Practicable Date. However, third parties may from time to time initiate legal proceedings or claims against us alleging that we have infringed their intellectual property rights. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately protect our proprietary technologies, patents, and technical know-how. Any unauthorized misappropriation of our intellectual property or protracted infringement claims by third parties could compromise our technical edge and disrupt our operations."

INSURANCE

During the Track Record Period and up to the Latest Practicable Date, we maintained various insurance policies for our operations, including automobile insurance, group traffic personal accident insurance, professional liability insurance, third-party liability insurance, workplace safety liability insurance and overseas employee insurance. In line with industry practice, we generally do not carry any business interruptions or litigation insurance.

During the Track Record Period and up to the Latest Practicable Date, we had not made, or been the subject of, any material insurance claims, and we did not experience any business interruptions or losses or damages to our properties that had a material adverse effect on our business, financial condition or results of operations. We believe that our insurance coverage is adequate for our business operations and in line with the industry practice. We will continue to review and assess our risks and make necessary adjustments to our insurance practice to align with our business needs and comply with applicable laws and regulations. For risks related to our insurance coverage, see "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient."

PROPERTIES

We occupy various properties in China and multiple other countries to conduct our business. They mainly include premises such as offices, laboratories, workshops and employee dormitories.

As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and

Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned 11 properties in China with an aggregate gross floor area of approximately 31,455.17 square meters. The properties we owned are primarily used for offices, workshops and employee dormitories. We have obtained valid title certificates for all 11 properties. As advised by our PRC Legal Advisers, we have legal ownership over these properties.

As of the Latest Practicable Date, we were in the process of obtaining a building ownership certificate of one property with an aggregate gross floor area of approximately 1,080.0 square meters. Such properties are located in Xinjiang and currently used as cleaning workshop. Our Directors are of the view that our business operations do not materially rely on these properties and the defects of such owned buildings would not materially and adversely affect our business.

Land Use Rights

As of the Latest Practicable Date, we owned the land use right to four parcels of land located in Xinjiang, with a total site area of approximately 356,381.48 square meters. We have obtained the land use right certificates for all four parcels of land and, as advised by our PRC legal advisers, have obtained land use rights of these parcels of land. We plan to construct office buildings and workshops on these parcels of land.

Leased Properties

As of the Latest Practicable Date, we leased 25 properties in China with an aggregate gross floor area of approximately 34,024.46 square meters, and also leased properties in various other countries where we have business operations, which were used primarily as offices, workshops and employee dormitories.

As of the Latest Practicable Date, among all of our leased properties in China as of December 31, 2025, the lessor for two properties with an aggregate area of 817.48 square meters mainly used as our employee dormitories and offices had not provided us with title certificates or proofs of right to lease. As advised by our PRC Legal Advisers, as the tenants, we would not be subject to any administrative penalties pursuant to the relevant laws and regulations. However, if any of these leases is terminated as a result of challenges by third parties such as property owners, we may not be able to continue to use the properties. In addition, as of the Latest Practicable Date, the lease agreements for 24 leased properties with an aggregate gross floor area of 32,948.46 square meters mainly used as our offices, workshops and employee dormitories have not been registered and filed with the relevant government authorities in the PRC, primarily due to the fact that certain leased properties are privately rented residential properties, the relevant landlords are unwilling to cooperate with the registration process, and in certain regions, such as Xinjiang, the local governments do not have a system for filing such registrations. Our PRC Legal Advisers have advised us that the failure to complete the registration of lease agreements will not affect the validity of the lease agreement; however, the relevant PRC authorities may require us to complete the registration, and if we still fail to do so, we may be imposed a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements.

EMPLOYEES

Our success depends on our ability to attract, retain and motivate our employees. As of December 31, 2025, we had 760 full-time employees in total. We also from time to time outsource a small number of staff from labor dispatch providers to assist in on-site manual work. The following table sets forth a breakdown of our employees by business function as of December 31, 2025:

Function	Number of Employees	Percentage
Management	78	10.3%
Administration and logistics	18	2.4%
Operation and execution	554	72.9%
Research and development	50	6.6%
Sales and business development	60	7.9%
Total	**760**	**100.0%**

The following table sets forth a breakdown of our employees by geographical location as of December 31, 2025:

Geographic Location	Number of Employees	Percentage
PRC	639	84.1%
Iraq	69	9.1%
Indonesia	17	2.2%
Kazakhstan	12	1.6%
Chad	7	0.9%
Uzbekistan	5	0.7%
United Arab Emirates	5	0.7%
Ecuador	2	0.3%
Niger	2	0.3%
Uganda	1	0.1%
Kuwait	1	0.1%
Total	**760**	**100.0%**

We recruit suitable employees through recruitment channels such as campus recruitment, third-party recruitment platforms and internal reference. We recruit our employees based on a number of factors, including their educational background, work experience, personality and our vacancies. Our employees have entered into employment contracts with us in compliance with the labor laws in the PRC, Iraq, UAE and Kazakhstan. During the Track Record Period and up to the Latest Practicable Date, except as otherwise disclosed in "— Legal Proceedings and Compliance — Social Insurance and Housing Provident Funds," we had complied with applicable labor laws and regulations in all material aspects in each of these countries/regions.

We strive to motivate our employees by offering competitive remuneration packages, comprehensive benefits, and performance-based incentives. We participate in various employee social security plans in accordance with applicable PRC laws and regulations, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. We periodically conduct performance and promotion reviews to provide employees with opportunities for promotion and salary adjustment.

We have established a multi-tiered training system covering onboarding induction, professional skill upgrading, technical research and digital capability improvement. Training programs are tailored for employees in different positions such as testing and inspection technicians, R&D personnel and management staff, with a focus on core competencies including professional testing technology, intelligent equipment operation, digital and intelligent system application and quality control standards. We also carry out regular internal technical exchanges, external expert lectures and on-the-job practical training, and combine on-the-job training with off-the-job learning to continuously improve the quality and technical capabilities of our entire workforce. Such training system not only ensures that our employees keep pace with the latest industry trend and testing standards, but also provides solid talent support for our technological innovation and standardized operation of testing and inspection business.

We have established labor unions to protect employees' rights, encourage employee participation in management decisions and assist in mediating disputes between us and union members. We had in general maintained good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes, work stoppages or labor disputes with our employees which had a material impact on our business, financial conditions or results of operations.

As of the Latest Practicable Date, our employees held a total of over 1,500 professional technical qualifications in aggregate, including more than 700 NDT certificates, over 30 thread inspection certificates and 100 metrology-related certificates. This extensive portfolio of qualifications demonstrates the professional expertise and technical competence of our personnel in providing high-quality testing and inspection services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We attach great importance to the implementation of environmental, social and governance (ESG) policies of our Company. ESG principles have been deeply embedded into various aspects of our operations. As a professional testing and inspection service provider rooted in the oil and gas industry, we recognize that robust ESG practices are fundamental to ensuring operational safety and asset integrity, enhancing customer trust and driving sustainable development. We remain committed to continuously elevating our ESG standards and delivering sustainable long-term value to our shareholders, customers, employees and all relevant stakeholders.

Environmental Protection

We are committed to sustainable development with high environmental protection standards. We are subject to applicable environmental laws and regulations governing air pollution, noise emissions, hazardous substances, wastewater, solid waste and other environmental matters issued by relevant governmental authorities in the jurisdictions where we operate. We require all of our employees to comply with applicable environmental requirements, and implement stringent environmental management standards in our operations.

Our Environmental Management System

We face various environmental risks in connection with our operations, mainly including greenhouse gas and waste gas emissions, wastewater discharge, solid waste and hazardous waste disposal and noise pollution. To address these risks, we adopt a multi-tier environmental management system:

- At the group level, our QHSE department is responsible for the formulation, revision and oversight of environmental protection management policies and systems, and provides professional consultation and technical support for all business units.

- Our QHSE departments of each regional business unit are specifically responsible for the identification of environmental factors within their scope and compiling environmental factors list, conducting annual environmental risk identification and assessment of on-site operations, regularly supervising and inspecting the implementation of environmental risk control measures, and investigating and handling environmental incidents and events occurring in their respective regions.

- All business units and departments shall implement on-site environmental management. They are also required to maintain and regularly inspect environmental protection facilities and emergency response facilities to ensure their normal operation.

Our Environmental Management Policy

We have established environmental protection management policies and procedures to control and reduce environmental pollution, raise employees' awareness of environmental protection and pollution prevention, and support sustainable development. Such policies and systems cover the following major aspects:

- *Formulation of work plans.* We conduct annual inspections and compliance assessments of the environmental conditions of our operation sites, collect environmental performance data, and incorporate environmental protection into our work plans.

- *Risk identification and evaluation.* We carry out identification and evaluation of environmental factors and risks for our operation activities. Those significant environmental factors are prioritized for control and covered by emergency plans in relevant documents.

- *Wastewater and solid waste control.* We manage industrial and domestic wastewater to meet discharge standards, prevent leaks and spills treat sediment and waste liquid through dehydration, and improve water reuse efficiency to reduce discharge. For solid waste, we classify it into general waste and hazardous waste, maintain collection and disposal records, and transfer hazardous waste to qualified third parties for treatment to avoid secondary pollution.

- *Waste gas and greenhouse gas control.* We install waste gas treatment facilities to ensure up-to-standard emissions, use energy-saving and environment-friendly equipment, and optimize operation scheduling to reduce fuel consumption and exhaust emissions.

- *Construction projects.* New, renovation, expansion and relocation construction projects are required to complete environmental impact assessment and go through relevant government review and filing in accordance with laws and regulations.

- *Pollutant monitoring and source management.* We regularly monitor pollution sources, comply with total emission control requirements issued by relevant local government, and take necessary rectification measures for any deviating environmental indicators.

- *Pollution prevention.* We encourage our business units to use clean and recycling technologies, strengthen protection in environmentally sensitive areas, and strictly prohibit illegal discharge of untreated oil, chemicals, heavy metals and hazardous waste.

- *Facilities management.* We have established rules and procedures for handling environmental protection facilities. Our staff is required to conduct regular maintenance on such facilities to ensure their normal operation, and prohibit unapproved shutdown, dismantlement or discard.

- *Emergency plan and accident management.* We formulate environmental emergency plans, stock emergency supplies and conduct regular drills to reduce potential losses arising from environmental accidents.

- *Contractor management.* We clarify environmental responsibilities in our QHSE contracts with contractors, supervise their performance of such responsibilities and incorporate environmental performance into contractor evaluation and bidding system.

- *Environmental training and promotion.* We also carry out regular environmental training and publicity activities, and encourage environment-friendly initiatives such as ecological restoration and public welfare programs.

During the Track Record Period and up to the Latest Practicable Date, we did not materially violate any environmental laws and regulations applicable to our operations.

Social Responsibility

Public Welfare Activities

We are committed to fulfilling our social responsibility and contributing to social development through public welfare activities.

In 2024, we carried out a series of charitable donations and community support programs in Luntai, Xinjiang, in respect of festival welfare, livelihood assistance for residents in need, student aid, elderly care and disability support. Our total charitable donations for this year amounted to RMB141,290, delivering tangible benefits to local vulnerable groups. In 2025, we continued to support local communities through condolence visits, charitable donations and targeted procurement for poverty alleviation. During the Spring Festival in 2025, we conducted condolence visits to Katasugaiti Village in Xinjiang with daily necessities, and brought food and beverages to frontline staff at local police and fire departments. We also participated in various charitable campaigns including the "One Yuan Love Donation" initiative, and provided targeted livelihood support to rural communities. In addition, we purchased staple foods such as flour to support poverty alleviation and improve the living conditions of low-income families.

Rural Revitalization

We focus on empowering local communities and fostering sustainable development in rural areas. To this end, we actively participate in rural revitalization efforts and implement following initiatives:

- We continuously purchased agricultural products from former impoverished villages to help increase farmers' income and boost local development.

- We regularly provide financial assistance to students from low-income families, supporting their academic pursuits and helping prevent intergenerational poverty.

- We established joint practical training bases with local vocational colleges to nurture skilled technical personnel for rural areas and drive sustainable rural development. These bases provide hands-on training opportunities and employment channels for students, addressing the talent shortage in rural areas.

Through these initiatives, we are able to promote rural revitalization and demonstrate our corporate responsibility to society.

Occupational Health and Safety

Occupational health and safety is one of our most fundamental corporate responsibilities. Our business operations involve inherent risks and hazards associated with oil and gas inspection activities, including but not limited to electrical hazards, falls from height, confined space entry, exposure to hazardous substances, and security risks in overseas operations. The health and safety of all our employees, contractors and the public is our top priority. We are committed to maintaining the high standards of occupational health and safety management in our operations.

Risk Assessment

We implement a systematic risk management approach to identify, assess and control health and safety hazards in our operations. All work activities, especially non-routine operations, contractor work and new projects, are subject to mandatory work safety analysis before commencement. Such analysis involves clarification of work tasks, breaking down work tasks into steps, identifying potential hazards at each step, inspecting on-site situations, assessing risk levels, and implementing appropriate control measures. We also conduct regular safety observation and communication to proactively identify and correct unsafe behaviors and conditions.

Safety Management System

We have developed and implemented a set of safety management procedures covering various aspects of our operations. These procedures cover core risk management frameworks, specialized high-risk operation controls and support systems, including electrical safety, safety for working at heights, cross-operation safety, special equipment safety, fire safety, occupational health, work safety expense usage and security management.

Occupational Health Management

We are committed to protecting the occupational health of our employees and preventing occupational diseases. We conduct regular occupational hazard assessments and monitoring at workplaces, and take appropriate control measures to reduce exposure to hazardous substances and physical factors such as noise, dust and chemicals.

We provide employees with appropriate personal protective equipment based on their job requirements, and ensure such equipment is properly maintained, inspected and replaced regularly. We also conduct mandatory pre-employment, periodic and post-employment health examinations for employees exposed to occupational hazards, and maintain complete occupational health files. In addition, we provide health and welfare benefits to our employees, including regular health check-ups, health education programs, and access to medical facilities. We also implement strict food safety management procedures at our employee canteens to ensure food hygiene and prevent foodborne illnesses.

Security Management

Given our extensive overseas operations in various countries, we have implemented a security management system. Before entering any new country or region, we conduct a comprehensive security risk assessment covering political instability, armed conflict, terrorism, crime, natural disasters and public health. For existing operations, we conduct periodic risk assessments at least semi-annually, or immediately in response to any changes in the local security situation, and update our response measures accordingly. We require all overseas operating units register with and seek guidance from PRC embassies and consulates in their host countries upon arrival.

We implement multiple security measures based on the risk level, including fortified facilities, security personnel, security vehicles and emergency evacuation plans. For high-risk areas, our offices and camps are constructed with bullet-resistant roofs and walls. All temporary camps implement closed management with perimeter fences, anti-collision barriers, access control systems, 24/7 video surveillance and designated shelters. We also establish strict travel management protocols, including pre-travel route planning with alternative routes, and prohibitions on night travel in high-risk areas. Furthermore, all of our overseas personnel are required to receive training covering local laws, regulations, religious beliefs, customs, security risks and emergency response procedures. We have also established emergency plans for various security incidents and conduct regular drills to ensure our personnel are prepared to respond to any potential incidents effectively.

Safety Management Goals

We publish and update clear and measurable QHSE goals and indicators annually to strengthen our QHSE management, implement work safety responsibilities and reduce work safety accidents. These goals and indicators are structured into three core categories, namely quality control, personnel and equipment management, and safety management. Key indicators include completion rate of QHSE training plans, compliance rate of work safety investment fund utilization, coverage rate of occupational health physical examinations, total recordable incident rate per million working hours, lost time injury frequency per million working hours, motor vehicle accident rate per million kilometers and carbon emission per unit of annual operating income. We require every business unit and department to formulate annual work plans and specific measures to ensure their achievement.

APPROVALS, LICENSES AND PERMITS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisers, Iraq Legal Advisers, UAE Legal Advisers and Kazakhstan Legal Advisers, we had duly obtained the requisite licenses, permits, approvals and certificates from applicable regulatory authorities which are material to our operations. Such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date. The following table sets out details of our material licenses, permits and approval held by us as of the Latest Practicable Date.

Approval/License/Permit	Issuing Organization	Grant Date	Expiry Date
Qualification Certificate for Inspection and Testing Bodies (檢驗檢測機構資質認定證書)	Administration for Market Regulation of Xinjiang	May 21, 2025	May 20, 2031
Special Equipment Inspection and Testing Agency Approval Certificate (特種設備檢驗檢測機構核准證)	Administration for Market Regulation of Xinjiang	June 12, 2023	June 11, 2027
CNAS Laboratory Accreditation Certificate (CNAS實驗室認可證書)	CNAS	December 16, 2023	December 15, 2029
Radiation Safety Certificate (輻射安全許可證)	Department of Ecology and Environment of Xinjiang	September 11, 2025	October 12, 2026

Approval/License/Permit	Issuing Organization	Grant Date	Expiry Date
Safety Production License (安全生產許可證)	Emergency Management Bureau of Bayingolin, Xinjiang	November 15, 2024	November 14, 2027
Sector Approval – Non Destructive Testing, Pipeline Sector, Tank Sector and Pressure Equipment Sector	Iraqi Ministry of Oil	May 4, 2025	N/A
Registration Approval – Non Destructive Testing, Pipeline Sector, Tank and Pressure Equipment Sector	Iraqi Ministry of Oil – Basra Oil Co.	April 8, 2025	N/A
Service Licence (DMCC-756191) – Onshore & Offshore Oil & Gas Fields Services; Safety Consultancies	Dubai Multi Commodities Centre Authority	February 2, 2020	February 1, 2027
Trading Licence (DMCC-756805) – Oilfield & Natural Gas Equipment & Spare Parts Trading	Dubai Multi Commodities Centre Authority	February 5, 2020	February 4, 2027
Attestation Certificate No. KZ22VEK00014110	Committee of Industrial Safety of the Ministry for Emergency Situations of the Republic of Kazakhstan	December 29, 2022	December 29, 2027
Certificate for the Right to Carry Out Industrial Safety Activities No. KZ81VEK00016249	Republican State Institution Industrial Safety Committee of the Ministry of Emergency Situations of the Republic of Kazakhstan	April 26, 2024	April 26, 2029

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. As advised by our PRC Legal Advisers, Iraq Legal Advisers, UAE Legal Advisers and Kazakhstan Legal Advisers, there is no material legal impediment to renewing our licenses, permits, approvals and certificates required for our operations as long as we comply with the relevant legal requirements and take all necessary steps and submit the relevant applications in accordance with the requirements prescribed by applicable laws and regulations.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against us which had caused or could cause a material adverse effect on our business, financial condition or results of operations.

Compliance

We operate in China, Iraq and other countries and our business is regulated and supervised under different regulatory regimes. We are subject to various regulatory requirements and guidelines issued by regulatory authorities in the jurisdictions in which we operate. We proactively monitor the regulatory landscapes in the jurisdictions where we operate and have established internal policies and procedures to govern our business operations to mitigate the risk of potential regulatory non-compliance and misconduct.

Except as otherwise disclosed in this document, during the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions we operate in during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Funds

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. We did not make such contributions to the social insurance and housing provident fund for the relevant employees primarily because, among other reasons, (i) the applicable PRC laws and regulations governing social insurance and housing provident funds are intricate and vary by region, which added complexity to our compliance efforts, and (ii) certain of our employees were unwilling to make social insurance and housing provident funds contributions in full as it requires additional contributions from our employees.

If the competent PRC government authority determines that the inadequate social insurance contributions we made for our employees violate relevant PRC laws and regulations, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions were due. If this payment is not made within the prescribed period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant PRC laws and regulations, the housing provident fund management center may require us to pay the outstanding amount within a prescribed period if we fail to pay the full amount of housing provident fund. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

Our Directors believe that the incident described above would not have a material adverse effect on our business and results of operations, considering that: (1) we have obtained written confirmations issued by certain relevant authorities that no administrative penalty was imposed on us during the Track Record Period; (2) as of the Latest Practicable Date, we had not received any notification from the relevant PRC regulatory authorities requiring us to pay material shortfalls or imposing fines on us with respect to social insurance and housing provident funds; (3) we were not aware of any employee complaints nor were involved in any labor disputes with our employees with respect to social insurance and housing provident funds; and (4) we undertake to make full contributions or to pay the shortfall within a prescribed time period if and when requested by the competent government authorities. In addition, pursuant to various notices and policies issued by relevant government authorities, administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises' historical overdue social insurance contributions. Based on the analysis above, our PRC Legal Advisers are of the view that under the premise that there are no significant changes to current PRC policies and regulations or to the enforcement and supervision requirements of local governments and that there are no employee complaints, litigation or arbitration proceedings, the likelihood that we would be subject to material administrative penalties or centralized collection due to our failure to make full social insurance and housing provident fund contributions is remote. Based on the foregoing, our Directors are also of the view that such incident would not have a material adverse effect on our business and results of operations. See "Risk Factors — Risks Relating to Our Business and Industry — We are subject to laws and regulations relating to social insurance and housing provident fund, and any failure to comply with such requirements may expose the Company to corresponding legal liabilities."

In light of the above, our Directors are of the view that no provision is required to be made in our financial statements in respect of the shortfalls in social insurance and housing provident fund contributions during the Track Record Period.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds on a monthly basis;

- we are in the process of communicating and will continue to communicate with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds, which also requires additional contributions from our employees; and

- we will consult our PRC legal advisers on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with compliance trainings relating to the same.

U.S. Sanctions Compliance

Primary Sanctioned Activity

Business Activities with a Russian Customer subject to U.S. Sanctions

During the Track Record Period, we entered into three business contracts with a customer whose Russian parent company was designated by OFAC as an SDN on October 22, 2025 pursuant to Executive Order 14024. Under these contracts, we were engaged to provide repair, maintenance, troubleshooting, construction and design services in relation to cathodic protection systems for

underground piping, trunklines, tanks, vessels and oil well casings at an oil field in Iraq. Revenue generated from such services amounted to RMB2.5 million and RMB2.6 million for the two years ended December 31, 2024 and 2025, respectively, representing 0.6% and 0.5% of our total revenue for the corresponding years, respectively. The transactions were caried out by our entity incorporated in UAE and the payments received from such customer were denominated in U.S. dollars. We continued to provide services after the designation on October 22, 2025 until the contractual rights and obligations were transferred in May 2026 from such customer to an Iraqi state-owned enterprise that is not subject to sanctions.

Following the designation of the Russian parent company, OFAC issued a series of general licenses, i.e. General Licenses 131A through 131F (the "**GL 131 Series**"), which recognize its significant oil and gas operations outside Russia, to facilitate the maintenance, preservation and orderly divestment of its international assets. In addition, OFAC has repeatedly extended the validity period of the GL 131 Series and the authorizations thereunder through June 27, 2026.

We have been advised by our International Sanctions Legal Advisers that during the Track Record Period, neither the Company nor any member of the Group has engaged in Primary Sanctioned Activity under the U.S. sanctions regime, primarily for the following reasons: (i) the relevant contracts were entered into prior to the full blocking SDN designation of the Russian parent company and therefore did not constitute new business with a Sanctioned Target; (ii) the oilfield project to which our services relate appears to form part of the international asset portfolio that OFAC intended to preserve and ultimately see divested by the Russian parent company; (iii) the services we provided, post-designation, are consistent with the maintenance activities expressly contemplated and authorized under the GL 131 Series; (iv) relevant business activities occurred prior to the expiry of General License 131F on June 27, 2026 and complied with all other applicable conditions thereunder; and (v) the Group subsequently took active steps to novate the contractual arrangements to an Iraqi state-owned enterprise, thereby removing such Russian customer from the contractual structure prior to the expiry of the GL 131 Series. Accordingly, our International Sanctions Legal Advisers are of the view that the Group is not subject to material sanctions risks.

Business Activities with a PRC Customer subject to U.S. Sanctions and Export Control Restrictions

In 2023, we provided measurement and NDT services to a customer whose PRC parent company is subject to U.S. investment restrictions under the Non-SDN Chinese Military-Industrial Complex Companies ("**NS-CMIC**") regime and certain U.S. export control restrictions, including being listed on the BIS Entity List. Revenue derived from such services amounted to RMB6.4 million and RMB0.5 million for the years ended December 31, 2023 and 2024, representing 1.4% and 0.1% of our total revenue in the same period. The payments we received from such customer were denominated in U.S. dollars.

Considering that (i) the NS-CMIC restrictions apply primarily to investments by U.S. persons in publicly-traded securities of designated entities; (ii) the BIS Entity List imposes licensing requirements and export restrictions in respect of specified U.S.-origin items but does not result in the blocking of property or interests in property of entities listed on the BIS Entity List, and such restrictions are not relevant to our business dealings with such PRC customer; and (iii) unlike OFAC blocking sanctions, the licensing requirements and export restrictions do not automatically extend to subsidiaries so there is no basis to conclude that our customer may become subject to any of the sanctions/export controls by virtue of being owned by its PRC parent company, our International Sanctions Legal Advisers are of the view that during the Track Record Period, neither the Company nor any member of the Group has engaged in Primary Sanctioned Activity under the U.S. sanctions regime. Therefore, our International Sanctions Legal Advisers are of the view that the Group is not subject to material sanctions risks.

Secondary Sanctionable Activity

Business Activities with a PRC Customer subject to U.S. Sanctions

In July 2024, we provided inspection services to a PRC company, with a total contract value of only RMB566.40. Its PRC parent company is subject to U.S. blocking sanctions pursuant to Executive Order 13818. However, given the de minimis value and limited scope of the transaction, our International Sanctions Legal Advisers are of the view that this transaction does not constitute material assistance, support or engagement to the sanctioned entities, and that the Group has not engaged in Secondary Sanctionable Activity under the U.S. sanctions regime. Therefore, our International Sanctions Legal Advisers are of the view that the Group is not subject to material sanctions risks.

Business Activities with a Russian Bank subject to U.S. Sanctions

Our Kazakhstan subsidiary has maintained a Kazakhstani tenge-denominated savings account with a Russian bank in 2023, 2024 and 2025, with a balance equivalent to approximately RMB813.9 as of the Latest Practicable Date. The account was used solely for local routine operations, including payroll disbursements. As of the Latest Practicable Date, we were in the process of closing such account. This Russian bank is subject to full blocking sanctions under Executive Order 14024 and has been designated as an SDN since February 24, 2022. It is also subject to Directive 1 under Executive Order 13662, which restricts U.S. investors from dealing in certain debt and equity securities issued by the bank. Considering that (i) the Group's relationship with this bank is limited solely to maintaining a local deposit account for routine payroll and operational purposes in Kazakhstan. There is no indication that the account was maintained for financing, investment, lending, trade finance, correspondent banking, capital markets activities or any other business that would materially benefit this bank; (ii) this account maintained relatively modest balances during the Track Record Period, which is not likely to constitute a significant transaction or otherwise amount to material financial support for purposes of U.S. secondary sanctions; (iii) there is no indication that the account was used in connection with sanctioned goods, sanctioned counterparties, military or defense activities, sanctions evasion, or any other transactions involving Russia that would increase the Group's sanctions risk; and (iv) the Group has taken proactive steps to close the account, our International Sanctions Legal Advisers are of the view that the Group has not engaged in Secondary Sanctionable Activity under the U.S. sanctions regime. Therefore, our International Sanctions Legal Advisers are of the view that the Group is not subject to material sanctions risks.

Business Activities with a PRC Bank subject to U.S. Sanctions

Our PRC subsidiaries has maintained deposit accounts with a local branch of a PRC bank. Our International Sanctions Legal Advisers are of the view that the Group has not engaged in Secondary Sanctionable Activity under the U.S. sanctions regime, on the basis that the U.S. sanctions imposed on this bank are primarily targeted at restricting U.S. financial institutions from opening or maintaining correspondent or payable-through accounts for the bank, and do not prohibit non-U.S. persons from maintaining ordinary deposit accounts with it. Therefore, our International Sanctions Legal Advisers are of the view that the Group is not subject to material sanctions risks.

Based on the foregoing analysis as a whole, our International Sanctions Legal Advisers are of the view that, during the Track Record Period, neither the Company nor any member of the Group has engaged in Primary Sanctioned Activity or Secondary Sanctionable Activity under the U.S. sanctions regime, and the Group's exposure to sanctions and export control risks is remote. For risks related to international sanctions, please see "Risk Factors — Changes in geopolitics, economic sanctions, export controls, and international trade policies may adversely affect our business, financial condition, and results of operations."

COMPETITION

With the rising production volume of oil and gas resources in China, the growing demand for the operation and maintenance of old oilfields and shut-in wells has become increasingly prominent, which in turn drives sustained demand for oil and gas testing and inspection services. According to Frost & Sullivan, the market size of the TIC integrated solution market for the oil and gas sector in China reached RMB22.5 billion in 2025, with a CAGR of 15.5% from 2021 to 2025. As the regulatory requirements for oil and gas asset emission and environmental protection in China become increasingly stringent, the demand for relevant testing and inspection services continues to expand, underpinning the steady growth of oil and gas testing and inspection service industry in China. According to Frost & Sullivan, the market size of the TIC integrated solution market for the oil and gas sector in China will reach RMB47.6 billion in 2030, representing a CAGR of 14.7% from 2026 to 2030. For more details, see "Industry Overview."

The TIC integrated solution market for the oil and gas sector in China is relatively fragmented, featuring competition between comprehensive testing institutions and professional testing institutions. According to Frost & Sullivan, the combined market share of the top five players stood at 19.2% in 2025. Within this group, professional testing institutions continuously enhance their strengths through technological innovation, service network expansion, and qualification accumulation. According to Frost & Sullivan, in terms of revenue, we ranked second among professional testing institutions and fifth overall in the PRC TIC integrated solution market for the oil and gas sector in 2025. As a leading TIC services provider in China with global presence, we believe we are well positioned to compete in the growing industry with our robust qualification and certificate system, proprietary technologies, premium client base, flexible and efficient operational model and experienced management team.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. The following table sets out major awards and recognitions we received:

Year	Awards/Recognition	Awarding Authority
2025	Postdoctoral Research Workstation (博士後科研工作站)	Ministry of Human Resources and Social Security of the PRC and National Postdoctoral Management Committee
2024	Specialized, Refined, Differential and Innovative "Little Giant" Enterprise (專精特新小巨人企業)	Ministry of Industry and Information Technology of the PRC
2023	High-tech Enterprise (高新技術企業)	Ministry of Science and Technology, Ministry of Finance and Taxation Administration of Xinjiang, PRC
2023	Second Prize of Xinjiang Science and Technology Progress Award	People's Government of Xinjiang, PRC

INTERNAL CONTROL AND RISK MANAGEMENT

We are exposed to various risks during our operation. For more details, see "Risk Factors." Our Directors are responsible for monitoring our internal control system and for reviewing its effectiveness. We have implemented a set of internal control and risk management policies and procedures to identify,

evaluate and address various potential operational, financial, legal and market risks relating to our operations. We are committed to maintaining a comprehensive and effective risk management system for our long-term business development.

As we operate in the PRC, Iraq and other countries, it is crucial that we maintain effective oversight of our overseas business. We manage our overseas operations through the following measures:

- We adopt a central management approach supported by localized empowerment. Under this model, we divide our overseas operations into multiple independent and accountable small business units, each responsible for its own operational performance, cost control and profit targets. Each unit independently formulates daily operation plans, manages on-site execution and motivates its own team. Concurrently, our PRC headquarters has established a standardized internal control and approval system applicable to overseas operations, under which all major business decisions and expenditure items of overseas offices are subject to review and approval by the relevant departments of the headquarters. Such a model not only helps improve operational efficiency and cost awareness, but also motivate local employees and enables rapid responses to local market dynamics, achieving a balance between efficient local operations and centralized risk control.

- Senior management and key personnel of each overseas office are appointed by the PRC headquarters to ensure consistent implementation of our overall development strategies and operational standards across overseas business units. Each overseas office provides regular and ad-hoc reports to the PRC headquarters on all material operational, financial, human resources and ESG matters, enabling timely oversight and decision-making by our headquarters.

- Senior management of the PRC headquarters conducts on-site visits to overseas operations from time to time, facilitating a comprehensive and firsthand understanding on actual operational conditions of our overseas business.

- We implement consistent technical standards, adopt digitalized management throughout the operation process, and carry out full-process quality control for both our headquarters and overseas operations, so as to ensure the consistency, safety and reliability of our testing and inspection services.

In addition, to monitor the ongoing implementation of our risk management policies and corporate governance measures after the **[REDACTED]**, we have adopted and will adopt, among other things, the following measures:

- maintain a comprehensive list of all standards, licenses, filings and certificates required for the operation of our business, and conduct ongoing monitoring and updates of this list to ensure compliance with all applicable regulatory and industry requirements;

- establish a set of policies in relation to quality, health, safety and environment management, including but not limited to quality control, occupational health, operational safety and environmental compliance across our business operations;

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. See "Directors and Senior Management" for the qualifications and experience of the committee members;

- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- organize internal training programs on anti-money laundering and anti-bribery compliance to enhance the understanding of, and adherence to, applicable laws and regulations among our senior management and employees, and incorporate relevant policies against non-compliance in employee handbooks and employment agreements;

- when considered necessary and appropriate, seek professional advice and assistance from external legal advisers and/or other appropriate independent professional advisers with respect to matters related to our internal control and legal compliance; and

- organize trainings session for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies **[REDACTED]** in Hong Kong.

Sanctions Compliance Risk Management

In order to mitigate exposure to sanction risks, we have adopted the following internal control and risk management measures:

- we will implement internal control and risk management measures, including counterparty sanctions screening, risk-based due diligence procedures, contractual sanctions compliance protection, transaction approval and escalation protocols, and ongoing monitoring of changes in applicable sanctions laws and regulations. High-risk transactions will be subject to enhanced review by the legal and compliance department prior to execution;

- we will set up and maintain a separate bank account upon the **[REDACTED]**, which will be designated for the sole purpose of the deposit and deployment of the **[REDACTED]** from the **[REDACTED]** or any other **[REDACTED]** through the Stock Exchange;

- our Directors will continuously monitor the use of **[REDACTED]** from the **[REDACTED]**, as well as any other funds raised through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, Russia, the Sanctioned Countries or Sanctioned Targets;

- to further enhance our existing internal risk management functions, our legal and finance departments are responsible for monitoring our exposure to sanctions risks and overseeing the implementation of relevant internal control procedures. Our legal and finance departments will hold a meeting biannually to monitor our exposure to sanctions risks and review the sanctions screening procedures in place;

- if necessary, we will engage external legal counsel to provide compliance training relating to the international sanctions to our Directors, our senior management and other relevant personnel to assist them in evaluating the potential sanctions risks in daily operations; and

- we will conduct periodic reviews and compliance audits of our sanctions compliance controls to assess their effectiveness and identify and remediate any potential compliance deficiencies. Any sanctions-related concerns or red flags identified in the course of such reviews will be escalated to the relevant management personnel for further investigation and corrective remediation. We will maintain complete records of the foregoing compliance activities.

Our Directors confirm that we do not have any present intention to undertake any business involving directly or indirectly the Sanctioned Countries or Russia. We will not knowingly or intentionally conduct any business with any Sanctioned Targets, or any business in any Sanctioned Countries or Russia that will cause us to violate International Sanctions, and we will not use the **[REDACTED]** from the **[REDACTED]** or any other **[REDACTED]** through the Stock Exchange to finance or facilitate, directly or indirectly, activities or business involving, or for the benefit of, parties

with ties to Russia, the Sanctioned Countries or Sanctioned Targets. Our Directors will continuously monitor the use of **[REDACTED]** from the **[REDACTED]**, as well as any other **[REDACTED]** through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, parties with ties to Russia, the Sanctioned Countries or Sanctioned Targets.

Given the scope of the **[REDACTED]** and the expected use of **[REDACTED]** as set out in this document, our International Sanctions Legal Advisers are of the view that the sanctions risks against the Sole Sponsor, the **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, **[REDACTED]** and future public shareholders and persons who might, directly or indirectly, be involved in permitting the **[REDACTED]**, **[REDACTED]**, clearing and settlement of its shares, including the Stock Exchange and its related group companies are remote.

Anti-bribery and Anti-corruption Policy

We maintain a zero-tolerance stance toward bribery and corruption and attach great importance to our anti-corruption and anti-bribery compliance management system. To materialize such commitment, we have formulated and issued our code of ethics and compliance, which sets forth clear principles and provisions governing anti-corruption and anti-bribery. The code strictly prohibits bribery, facilitation payments, inappropriate gifts, improper entertainment and any other forms of improper inducements or prohibited practices.

To ensure effective implementation, we have put in place a compliance management and supervision mechanism that oversees the compliance-related activities. We regularly organize anti-corruption training and campaigns to continuously enhance compliance awareness and ethical standards across all employees. Furthermore, we have established confidential reporting channels to facilitate independent and secure whistleblowing. Any suspected violations of anti-corruption and anti-bribery provisions will be promptly investigated and dealt with in strict accordance with our internal policies and applicable laws and regulations, thereby upholding our commitment to clean and ethical operation.

Based on the above, our Directors are of the view that we have taken reasonable steps to establish an internal control system and procedures that are adequate and effective to manage the risks we are exposed to in our business operations.