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

廣東集信國控檢測認證技術服務中心股份有限公司

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

(Stock code: 8629)

DISCLOSEABLE TRANSACTION IN RELATION TO PROPOSED CAPITAL INCREASE IN A CONSTRUCTION ENGINEERING T&I SERVICE PROVIDER

THE CAPITAL INCREASE AGREEMENT

On 16 December 2025, the Company, Huazhou CQA Center and the Target Company entered into the Capital Increase Agreement, pursuant to which the Company conditionally agreed to subscribe for 51% of the enlarged registered capital of the Target Company for a total consideration of RMB13,323,900.

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) applicable to the Company in respect of the Proposed Capital Increase exceeds 5% but is less than 25%, the Proposed Capital Increase constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE CAPITAL INCREASE AGREEMENT

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The principal terms of the Capital Increase Agreement are as follows:

Date: 16 December 2025

Parties: (1) The Company;

(2) Huazhou CQA Center; and

(3) The Target Company

As at the date of this announcement, the Target Company is wholly owned by Huazhou CQA Center.

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, Huazhou CQA Center and the Target Company and their ultimate beneficial owners are independent of the Company and its connected persons.

Proposed Capital Increase

Pursuant to the Capital Increase Agreement, the Company conditionally agreed to subscribe for 51% of the enlarged registered capital of the Target Company for a total consideration of RMB13,323,900.

Upon Completion, the Target Company will be owned as to 51% by the Company and 49% by Huazhou CQA Center. The Target Company will become a non-wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

Investment Consideration and Payment Terms

The total consideration of RMB13,323,900 under the Capital Increase Agreement shall be payable by the Company by bank transfer to the designated bank account of the Target Company within seven Business Days after the Company has received the approval documents from the competent State-owned Assets Supervision and Administration Authority of the PRC and other relevant approval documents in respect of the Capital Increase Agreement.

The consideration of the Proposed Capital Increase will be financed partly by the proceeds from the share offer and partly from internal resources of the Company.

Basis for Determination of Consideration

The consideration under the Capital Increase Agreement was determined by the Company and Huazhou CQA Center after arm's length negotiation with reference to, among other things:

(i) the valuation of the entire equity interest in the Target Company (the "**Valuation**") as at 31 December 2024 (the "**Valuation Date**") of RMB12,801,400 as stated in the valuation report prepared by Guangdong Huayi Valuation Co. Limited* (廣東華逸資產評估有限公司) (the "**Valuer**"), an independent professional valuer, adopting the asset-based approach. For details of the Valuation, please refer to the paragraph headed "Valuation" in this announcement;

(ii) the reasons for and benefits of entering into the Capital Increase Agreement as stated under the paragraph headed "Reasons for and Benefits of the Proposed Capital Increase"; and

(iii) the financial performance of the Target Company following the Valuation Date. In particular, the net asset value of the Target Company as at 31 August 2025 of approximately RMB13,529,700, which represent an increase of approximately RMB876,300 compared to the net asset value of approximately RMB12,653,400 as at 31 December 2024. As the financial performance of the Target Company remains relatively stable after the Valuation Date, the Board is of the view that the Valuation remains relevant and reflective of the value of the Target Company.

Conditions Precedent

The obligation of the Company to complete the Capital Increase Agreement is conditional upon the satisfaction or waiver of the following conditions:

(a) the Company being satisfied with the results of the due diligence on, among other matters, the business, technology, financial and legal affairs of the Target Company;

(b) the Company having obtained all internal and external approvals in accordance with laws, regulations or the Company's internal policies, including but not limited to the approvals required by the GEM Listing Rules or the Stock Exchange (including board's and shareholders' approval, if required);

(c) the Target Company and Huazhou CQA Center having obtained all internal and external approvals required by law or its internal policies related to the Proposed Capital Increase, including but not limited to approvals from competent state-owned asset management authorities of the PRC;

(d) the Target Company having provided necessary documents and information to the Company, including but not limited to (i) shareholder and board resolutions approving the Proposed Capital Increase; (ii) amendments to the Target Company's articles of association in relation to the Proposed Capital Increase; and (iii) any other documents requested by the Company;

(e) the Company having obtained all consents from third parties that are necessary for completing the Proposed Capital Increase, in form and substance to the satisfaction of the Company, including but not limited to consents given by governmental authorities and third parties (including bank and creditor);

(f) Huazhou CQA Center having agreed to waive its right to subscribe for the registered capital to be increased pursuant to the Capital Increase Agreement, and without the Company's consent, the Target Company shall not increase its registered capital, save for the Proposed Capital Increase;

(g) the representations and warranties made by Huazhou CQA Center and the Target Company having remained true, accurate, complete and not misleading as at the date of Capital Increase Agreement and up to the date of Completion, and any undertakings and warrants provided by Huazhou CQA Center and the Target Company having been fulfilled prior to or on the date of Completion, and the Company having received certificates from the Huazhou CQA Center and the Target Company in relation to the fulfillment of such undertakings and warranties;

(h) no governmental authorities having enacted, issued, implemented or passed any laws or governmental orders that would render the Proposed Capital Increase illegal or otherwise restrict or prohibit the transactions contemplated under the Capital Increase Agreement;

(i) parties to the Capital Increase Agreement having executed all relevant transaction documents and the Company has received an original copy of each of the transaction documents;

(j) the articles of association of the Target Company have been amended in accordance with the transaction documents of the Proposed Capital Increase to the satisfaction of the relevant parties, and shall take effect upon proper execution;

(k) no pending or potential claims having been brought against the Target Company or Huazhou CQA Center that (i) may restrict or adversely affect the transactions contemplated under the Capital Increase Agreement; or (ii) based on the reasonable and good-faith judgment of the Company, could render the Completion unfeasible or illegal, or could have a significant adverse impact on the Proposed Capital Increase; and

(l) no events that may individually or collectively cause a material adverse effect have occurred, and it is reasonably expected that no events that may individually or collectively cause a material adverse effect will occur.

The Company may waive all or part of the aforesaid conditions precedent. In the event that any of the said conditions precedent has not been fulfilled or waived on or within 60 Business Days after signing of the Capital Increase Agreement (or such other date as agreed by the Company), the Company shall be entitled to terminate the Capital Increase Agreement, but without prejudice to rights and remedies accrued before termination.

Upon termination of the Capital Increase Agreement, the Target Company and Huazhou CQA Center shall repay all the consideration which they received (together with interest accrued from the date of receipt of the consideration up to the date of return of the consideration at the applicable interest rate published by the People's Bank of China for the relevant period) to the Company. However, if the Capital Increase Agreement is terminated due to the failure of the Company to fulfill the conditions precedent by obtaining the necessary consent or approval, Huazhou CQA Center and the Target Company shall only be required to return the consideration they received under the Capital Increase Agreement.

Completion

Completion shall take place within seven Business Days after satisfaction or waiver of the conditions precedent to Completion, or such other date as agreed by the Company and Huazhou CQA Center in writing.

VALUATION

According to the Valuation Report, the appraised value of the entire equity interest of the Target Company as at 31 December 2024 was RMB12,801,400.

Valuation Methodology

Pursuant to the Valuation Report, the Valuer has considered the application of three basic valuation approaches, namely market approach, income approach and asset-based approach. The market approach refers to a valuation method in which the subject of appraisal is compared with comparable listed companies or comparable transaction cases to determine its value. Two commonly used specific methods under the market approach are the comparable listed company method and the comparable transaction method. The comparable listed company method involves analyzing the operating and financial data of listed companies in the capital market that are in the same or similar industry as the company being appraised, calculating appropriate valuation ratios or economic indicators, and, based on comparative analysis with the company being appraised, deriving the value of the appraisal subject. The comparable transaction method involves analyzing cases of purchase, acquisition, and merger of companies in the same or similar industry as the company being appraised, obtaining and analyzing data from these transaction cases, calculating appropriate valuation ratios or economic indicators, and, based on comparative analysis with the company being appraised, deriving the value of the appraisal subject. Income approach refers to the approach in which the current value of the expected income of the valuation subject is appraised to determine the value of the valuation subject. Asset-based approach refers to the approach in which the value of assets and liabilities of the valuation subject as at a given valuation date is based and assessed to determine the value of the valuation subject.

The Valuer adopted the market approach (with comparable transaction method) and asset-based approach in the Valuation after considering the following factors:

(i) given the availability of multiple comparable acquisition cases by A-share listed companies in China involving entities operating in a similar industry as the Target Company, and the relative accessibility of relevant public data, the market approach is considered applicable for the Valuation;

(ii) given that the Capital Increase Agreement is an equity expansion transaction, the asset-based approach reflects the value of the Target Company from the perspective of acquiring and constructing the enterprise, and provides a basis for operational management and performance evaluation after the transaction is completed. Thus, the asset-based approach was adopted in the Valuation; and

(iii) the operation of the Target Company is relatively unstable and its future income can not be reasonably estimated and measured in currency. Therefore, the income approach was not adopted in the Valuation.

Key Assumptions

The principal assumptions, upon which the Valuation is based on, are as follows:

(i) the Target Company will continue to operate after the Valuation Date with the current mode of operations;

(ii) there will be no major changes in the political, economic and social environment of the country and region at which the Target Company is located after the Valuation Date;

(iii) there will be no major changes in national macroeconomic policies, industrial policies, or regional development policies after the Valuation Date;

(iv) there will be no major changes to the valuation bases, such as interest rates, exchange rates, tax bases and rates, policy-related levies and other valuation bases related to the Target Company;

(v) the operator of the Target Company is responsible and that its management is capable of performing its duties and responsibilities. It is also assumed that the existing management, business and technical teams will remain relatively stable, or that any change in the management and business will not have significant impact on the Target Company's operations and management;

(vi) the Target Company fully complies with all relevant laws and regulations; and

(vii) there will be no force majeure event causing significant adverse impact on the Target Company after the Valuation Date.

Certain Particulars of Asset-based Approach

Inputs and computation process

(1) Monetary funds

The monetary assets included in the Valuation comprise cash and bank deposits. The valuation of cash on hand was determined through physical inventory and verification. The valuation of bank deposits was based on reconciliation between accounting records, financial statements, and bank statements.

(2) Accounts receivable and other receivables

For accounts receivable and other receivables, the Valuer conducted verification of each item and, with reference to historical data and current investigation findings,

analyzed factors such as the amount, aging, reasons for the outstanding balances, recovery status, and the debtor's financial position, creditworthiness, and operational conditions. Based on the specific circumstances of each entity, the aging analysis method was used to estimate potential risk losses. The Valuation was determined by assessing the recoverability of the verified actual amounts.

(3) Fixed assets — equipment

Equipment assets are valued based on the principle of continued use, using the replacement cost approach. The replacement value of the equipment is determined by referencing the current market price of brand-new equipment, plus necessary transportation and miscellaneous expenses, installation and commissioning costs, and capital costs. The newness rate (or remaining useful value) is assessed using a combination of methods, including the service life method, observation method, and workload analysis method, as follows:

(a) Machinery and equipment are valued using the replacement cost approach. Replacement cost is determined based on current market prices, and the newness rate is primarily assessed through observation method.

(b) Transportation equipment is valued using the replacement cost approach. Replacement cost is determined based on current market prices, and the newness rate is assessed through a combination of mileage and observation method.

(c) Electronic equipment is valued using the replacement cost approach. Replacement cost is determined based on current market prices, and the newness rate is assessed through a combination of service life method and observation method.

(4) Right-of-Use Assets

For right-of-use assets, the specific circumstances of the assets and the financial accounting practices of the appraised entity should be analyzed. The verified book value is adopted as the basis for the Valuation.

(5) Deferred Tax Assets

For deferred tax assets, the Valuation involves verifying the consistency between the subsidiary ledger, general ledger, and financial statement balances, as well as cross-checking with the valuation detail schedule. Accounting records such as transaction amounts, occurrence dates, and business descriptions are reviewed to confirm the authenticity and completeness of the deferred tax assets. Upon verification, the confirmed book value is adopted as the Valuation basis.

(6) Liabilities

Liabilities are valued based on the actual amount that the property-holding entity is obligated to bear after the Valuation Date and upon realization of the valuation purpose. This verified amount is adopted as the Valuation basis for liabilities.

Based on the asset-based approach, the appraised value of the entire equity interest in the Target Company is RMB12,801,400.

Certain Particulars of Market Approach

The Valuer has identified three comparable transactions in the Valuation based on the following criteria:

(i) the underlying companies are principally engaged in the provision of construction engineering T&I services;

(ii) the underlying companies operate in China;

(iii) the underlying companies' purchase, acquisition, and merger announcements must fall within three years prior to the Valuation Date;

(iv) the underlying companies should be in a relatively mature stage of operations, with a certain level of assets and business scale; and

(v) the transactions resulted in change in controlling interest of the underlying companies.

Comparable Transactions

	Target of transaction	**Nature of business** [(1)]	**Date of announcement**	**Equity percentage of transaction**	**Total acquisition consideration** *(RMB'000)*
1.	Shanghai Tongji Testing Technology Co., Ltd.* (上海同濟檢測技術有限公司) ("**Company A**")	Provision of construction engineering T&I services, including but not limited to construction engineering testing services related to real estate and public infrastructure	2 August 2024	55%	166,418

	Target of transaction	Nature of business [1]	Date of announcement	Equity percentage of transaction	Total acquisition consideration *(RMB'000)*
2.	Hangzhou Southwest Testing Technology Co., Ltd.* (杭州西南檢測技術股份有限公司) ("**Company B**")	Provision of construction engineering T&I services, including but not limited to construction engineering testing services related to real estate and public infrastructure	8 August 2023	55%	80,900
3.	Zhejiang Hongye Testing Technology Co., Ltd.* (浙江宏業檢測科技有限公司) ("**Company C**")	Provision of construction engineering T&I services, including but not limited construction engineering testing services related to real estate and public infrastructure	22 October 2024	51%	39,566

Note:

1. The information in relation to nature of business of the underlying companies were obtained from Qichacha (企查查), an online corporate and business information inquiry platform.

The Valuer identified the comparable transactions from the announcements of companies listed on the Shenzhen Stock Exchange* (深圳證券交易所) and the Shanghai Stock Exchange* (上海證券交易所), and announcements published on the Shanghai United Assets and Equity Exchange* (上海聯合產權交易所) based on the selection criteria as set out above. The Valuer is of the view that the selection criteria are fair and reasonable as they are able to reflect the business operation and operating locations of the Target Company, which includes (a) the business operation being conducted in the PRC; and (b) a majority of the revenue being generated from the provision of construction engineering T&I services, and the list of comparable transactions is a fair, representative and exhaustive list identified on a best-effort basis.

Key inputs to the Valuation

Since the Target Company is relatively smaller sized, there are no directly identical equity transaction cases available in the market for institutions of this size. In the Valuation, the selected comparable transactions involve companies with complete qualifications, among which two have annual revenue exceeding RMB50 million, and one has annual revenue close to RMB50 million but below that scale. To reflect the scale difference between the Target Company and the underlying companies in the comparable transactions, "scale difference adjustment coefficient" and "weights" were applied, which are commonly used in comparable transaction method to reflect the difference in operation scale between the valuation subject and the comparable companies.

The Valuer has made the necessary adjustments to the acquisition consideration of the comparable transactions by applying the scale-difference adjustment coefficient (the "**Adjusted Acquisition Consideration**"). The Valuer assessed the total equity value of the Target Company based on the Adjusted Acquisition Consideration of the relevant companies and the assigned weights.

Scale differences adjustment coefficient

In calculating the adjustment coefficient, the average revenue-generating capacity of T&I service providers in the PRC were taken into account, details of which are set out in the table below:

	Aggregate revenue generated by T&I service providers in 2023 (A) *(RMB'000)*	**Number of T&I service providers considered (B)**	**Average revenue generating capacity (A/B)** *(RMB'000)*
T&I service provider that generated revenue of RMB50,000,000 or more in 2023 ("**Class I**")	375,122,000	7,558	49,630
T&I service provider that generated revenue of less than RMB50,000,000 in 2023 ("**Class II**")	91,887,000	46,276	1,990

Source: The 2023 National Inspection and Testing Service Industry Statistical Report* (《2023年度全國檢驗檢測服務業統計簡報》) published by the State Administration for Market Regulation of the PRC* (國家市場監督管理總局) on 23 July 2024.

For Company A and Company B whose annual revenue was more than RMB50 million, the scale difference adjustment coefficient of 4.01% equals to the average revenue generating capacity of the Class II T&I service providers (RMB1,990,000) divided by that of the Class I T&I service providers (RMB49,630,000).

For Company C whose annual revenue was below RMB50 million, the scale difference adjustment coefficient of 19.94% equals to the revenue of the Target Company for the year ended 31 December 2023 (RMB9,834,900) divided by the revenue of Company C (RMB49,322,200) for the same period. For smaller scale companies, the differences in value primarily arise from their operating income levels. Therefore, revenue generating capacity has been adopted as the basis for adjusting the differences between the comparable case and the Target Company.

Weights

In determining the weights to be assigned to the Adjusted Acquisition Consideration of Company A, B and C, the Valuer has considered three major factors, including the market size, the stability of acquisition consideration and reliability of the Adjusted Acquisition Consideration of the underlying companies, and scores were given to each factor based on the condition of the underlying companies and the Valuer's professional judgment:

Comparable transaction	**Major factors**	**Condition of underlying company**	**Weight of the factor**	**Score out of 10**
1	Market size	Mid-sized company	40%	5
	Stability of the acquisition consideration	Relatively high	30%	5
	Reliability of the Adjusted Acquisition Consideration	Relatively high	30%	5
			Score:	5

Comparable transaction	Major factors	Condition of underlying company	Weight of the factor	Score out of 10
2	Market size	Small-to-medium sized company	40%	4
	Stability of the acquisition consideration	Moderate volatility	30%	4
	Reliability of the Adjusted Acquisition Consideration	Modest volatility with marginally weaker performance than market leaders	30%	4
			Score:	4
3	Market size	Small sized company	40%	7
	Stability of the acquisition consideration	Approaching scale threshold, with relatively high stability	30%	7
	Reliability of the Adjusted Acquisition Consideration	Outstanding representative of small sized company, with high reliability	30%	7
			Score:	7

Total score of the comparable transactions = 5 + 4 + 7 = 16

Weights assigned to the Adjusted Acquisition Consideration of Company A, B and C of 0.31, 0.25 and 0.44 can be calculated using the following formula:

$$Weight = \frac{Score}{Total\ score}$$

According to the characteristics of the T&I industry, larger companies account for the majority of industry revenue, and the trend of intensive development is on the rise. Although the Target Company is relatively smaller sized, as of 31 December 2023, its annual revenue reached RMB9,834,900, which is significantly higher than the average annual revenue of RMB1,990,000 for smaller-scale companies, indicating potential for upward transition. Therefore, a valuation adjusted with reference to small-to-medium sized companies as well as high-quality smaller companies better reflects its growth prospects.

Based on calculations, and in line with the growth trend of the Target Company, the Valuer applied scale difference adjustment coefficient and weights of 0.31, 0.25, and 0.44 respectively to derive the Valuation by market approach, which amounts to RMB12,046,000.

Valuation Conclusion

Based on the asset-based approach, the appraised value of the entire equity interest in the Target Company is RMB12,801,400, while based on the market approach, the appraised value of the entire equity interest in the Target Company is RMB12,046,000.

The result under the asset-based approach is RMB755,400 higher than that under the market approach.

The asset-based approach determines value based on the replacement cost of assets, reflecting the socially necessary labor expended in asset investment (construction or acquisition costs). Such costs typically fluctuate in line with changes in the national economy.

By contrast, the market approach derives value from transaction cases in the market. It involves analyzing sales, acquisitions, and mergers of companies in the same or similar industries as the subject enterprise, collecting and examining relevant transaction data, and calculating appropriate value ratios or economic indicators. The appraised value was derived based on comparative analysis with the Target Company. Importantly, the market approach incorporates premium factors, including the influence of supply and demand dynamics.

Although the market approach takes into account relevant premium factors, including the influence of supply and demand, its result is slightly lower than the value derived from the asset-based approach, which reflects the cost of reconstructing and replacing assets. Accordingly, the Valuer have adopted the asset-based approach result as the Valuation conclusion, as it better represents the overall value of the Target Company.

Based on the above, as of the Valuation Date, the appraised value of the entire equity interest in the Target Company is RMB12,801,400.

Analysis and reasons for the difference between appraised value and audited value

The valuation amount of the total assets of the Target Company as at the Valuation Date based on the asset-based approach was RMB14,611,600, representing an appreciation of RMB148,000 or 1.02% over the audited total assets of the Target Company as at the Valuation Date of RMB14,463,600; the appraised value of liabilities was RMB1,810,200 which is same as the audited liabilities of the Target Company as at the Valuation Date of RMB1,810,200; the appraised value of net assets value was RMB12,801,400, representing an appreciation of RMB148,000 or 1.17% over the audited net asset value of the Target Company as at the Valuation Date of RMB12,653,400.

The appreciation of the appraised value of net assets value over its audited value was attributable to the appreciation of equipment. The appraised value of the equipment was approximately RMB2,266,800, representing an appreciation of RMB148,000 over the audited value of RMB2,118,800 which was largely attributable to different approaches being employed. As disclosed in the paragraphs above, the Valuer has adopted replacement cost approach, which is an approach that measures the replacement cost of the valuation object as at the Valuation Date. As such, the valuation was based on the replacement cost approach, while the audited value reflected cost less depreciation, resulting in a difference primarily due to the discrepancy between accounting depreciation measurement and the actual physical deterioration of the equipment. For the purpose of the Valuation, the audited financial information of the Target Company refer to those financial information of the Target Company prepared and audited in accordance with the PRC generally acceptable accounting principles and practices.

View of the Board on the Valuation

The Board had reviewed and analyzed the Valuation, assessed the independence, qualification and experience of the Valuer, and enquired with the Valuer and the Company's management about the Valuation and its assumptions and methodology, including but not limited to:

(a) key assumptions;

(b) basis for adoption of the market approach and asset-based approach;

(c) certain particulars of market approach and asset-based approach;

(d) calculation of the Valuation;

(e) reasons for the appreciation of the appraised value of the Target Company over its audited value as at 31 December 2024; and

(f) reasons for adopting the appraised results of the asset-based approach as the valuation conclusion.

In view of the aforesaid, the Board considered the Valuation to be fair and reasonable.

REASONS FOR AND BENEFITS OF THE PROPOSED CAPITAL INCREASE

The Company is principally engaged in the provision of construction engineering, hydraulic engineering and motor vehicle T&I services as well as food and agricultural related testing services, currently mainly serving customers in Maoming City.

The Board has been actively exploring opportunities to strengthen our existing market presence in Maoming and expand our service footprint into the 3rd to 5th tiers cities in Western Guangdong. Following detailed assessments and discussions with the Huazhou CQA Center and the Target Company, the Directors believe that there is strong and sustainable demand for T&I services in Huazhou City (which is a county-level city under the administration of Maoming City).

In 2024, the Target Company experienced a decline in performance due to a slowdown in real estate testing activities and limited competitiveness in road testing services. However, the Board believes that this situation is reversible and views the Proposed Capital Increase as a strategic opportunity to reposition the Target Company for growth, based on the following considerations:

— the Target Company currently lacks sufficient technical parameters and resources to compete effectively in road testing. Through the Proposed Capital Increase, the Company intends to integrate its existing capabilities, including technology, equipment, and certifications, to rapidly enhance the Target Company's road testing capacity and create operational synergies.

— the decline in real estate testing is considered a short-term industry fluctuation. In contrast, demand for public infrastructure and road testing, driven by ongoing investment in infrastructure, is expected to remain stable over the long term. It is supported by the rebounded financial performance of the Target Company. According to the unaudited financial information for the eight months ended 31 August 2025, the revenue of the Target Company of approximately RMB9.7 million, representing an increase of 54.7% compared with the financial year ended 31 December 2024. The Company is optimistic about the market's recovery and the potential for diversified business development.

— as at 31 August 2025, the Target Company served over 90 customers in Huazhou City. The Directors believe that the Proposed Capital Increase will facilitate the Group to utilise the extensive network to expand its services into Huazhou City rapidly.

The Proposed Capital Increase will enable the Group to leverage its extensive experience in providing T&I services and the Target Company's established presence in Huazhou City to jointly develop and expand the local T&I services market and further enhance the financial performance of the Target Company and the Group.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the Proposed Capital Increase are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE CONTRACTING PARTIES

The Company

The Company is principally engaged in the provision of construction engineering, hydraulic engineering and motor vehicle T&I services as well as food and agricultural related testing services, currently mainly serving customers in Maoming City.

Huazhou CQA Center

Huazhou CQA Center is a public institution (a social service organization established by the state for the purpose of public welfare and using state-owned assets) of the Huazhou City People's Government, which is a subordinate of the government of the Maoming City People's Government.

Huazhou CQA Center performs its duty as a capital contributor according to the laws and regulations, such as the Companies Law of the PRC (中華人民共和國公司法) and the Provisional Measures for the Administration of State-owned Assets of Public Institutions (事業單位國有資產管理暫行辦法). Huazhou CQA Center does not engage in any commercial business or operate any commercial entity. As such, Huazhou CQA Center constitutes a "PRC Governmental Body" under the GEM Listing Rules, and therefore not a connected person of the Company by virtue of Rule 20.09 of the GEM Listing Rules.

The Target Company is a state-owned enterprise and Huazhou CQA Center is a capital contributor of the Target Company pursuant to aforesaid laws and regulations.

The Target Company

The Target Company is a limited liability company established in the PRC which is principally engaged in the provision of construction engineering T&I services in Huazhou City.

As at the date of this announcement, the Target Company is wholly-owned by Huazhou CQA Center.

The table below sets out the audited financial information of the Target Company for the two financial years ended 31 December 2023 and 2024 and the unaudited financial information for the eight months ended 31 August 2025, which was prepared in accordance with generally accepted accounting principles in the PRC:

	For the eight months ended 31 August 2025	**For the year ended 31 December**	
		2024	**2023**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
	(unaudited)	(audited)	(audited)
Revenue	9,731	6,290	9,835
Profit before tax	1,768	(3,005)	2,142
Profit after tax	1,676	(2,865)	2,025

The appraised value of net assets value of the Target Company as at the Valuation Date was RMB12,801,400, representing an appreciation of RMB148,000 or 1.17% over the audited net asset value of the Target Company as at 31 December 2024 of RMB12,653,400. The difference was mainly attributable to different valuation approaches adopted in preparing the audited account and the Valuation.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) applicable to the Company in respect of the Proposed Capital Increase exceeds 5% but is less than 25%, the Proposed Capital Increase constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors;
"Business Day"	any day on which banks in China are normally open for business, save for statutory holidays and Saturdays or Sundays;

"Capital Increase Agreement"	the capital increase agreement dated 16 December 2025 entered into among the Company, Huazhou CQA Center and the Target Company in relation to the proposed subscription of 51% of the enlarged registered capital of the Target Company by the Company;
"China" or "PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan;
"Company"	Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd. (廣東集信國控檢測認證技術服務中心股份有限公司), a joint stock company with limited liability, whose H Shares are listed on GEM;
"Completion"	the completion of the Proposed Capital Increase;
"Director(s)"	the director(s) of the Company;
"GEM"	GEM operated by the Stock Exchange;
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong;
"H Share(s)"	ordinary shares in the share capital of the Company with a nominal value of RMB1.00, which are traded in HK dollars and listed on the Stock Exchange;
"Huazhou City"	Huazhou City, Guangdong Province of China;
"Huazhou CQA Center"	Huazhou Construction Quality Affairs Center* (化州市建設工程質量事務中心);
"Maoming City"	Maoming City, Guangdong Province of China;

"Proposed Capital Increase"	the proposed subscription for 51% of the enlarged registered capital of the Target Company by the Company for a total consideration of RMB13,323,900;
"RMB"	Renminbi, the lawful currency of the PRC;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company"	Maoming Juzhou Engineering Testing Co., Ltd. (茂名市橘洲工程檢測有限責任公司), a company established in the PRC with limited liability; and
"T&I"	testing and inspection.

By order of the Board
Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd.
廣東集信國控檢測認證技術服務中心股份有限公司
Lai Feng
Chairman and executive Director

Hong Kong, 16 December 2025

As at the date of this announcement, the Board comprises of four executive Directors, namely Mr. Lai Feng, Mr. Huang Fei, Ms. Mai Jiayu and Mr. Zhang Xihua, two non-executive Directors, namely Ms. Zou Chan and Mr. Chen Guangfu and three independent non-executive Directors, namely Ms. Liu Hongge, Ms. Deng Dian and Mr. Luo Qiling.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) for at least 7 days from the date of its publication and on the website of the Company (www.xyjiance.cn).

* *For identification purpose only*