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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)

**SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
IN RELATION TO PROPOSED CAPITAL INCREASE IN
HYDRAULIC ENGINEERING T&I SERVICE PROVIDER**

Reference is made to the announcement (the “**Announcement**”) of Guangdong Syntrust GK Testing and Certification Tech Service Center Co., Ltd. (the “**Company**”) dated 16 April 2025 in relation to the proposed subscription for 51% of the enlarged registered capital of Maoming Yueshui Engineering Testing and Inspection Co., Ltd.* (茂名市粵水工程檢測有限公司) by the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information regarding the Valuation as follows:

VALUATION

Valuation Methodology

As disclosed in the Announcement, the Valuer adopted the market approach and transaction-case comparison method for the Valuation after considering the following factors: (i) given that the Target Company is at a developmental stage, future earnings of the Target Company have a high degree of uncertainty and income approach is not appropriate for the Valuation; (ii) as the Target Company has adopted an asset-light business model and has achieved sustainable profitable growth, the asset-based approach was not an appropriate approach to reflect the profitability of the Target Company; and (iii) the precondition of using the listed-company comparison method is that the comparable companies and the entity being evaluated are of similar business size. Given that the Target Company is a small-to-medium company, the listed-company comparison method is not suitable for the

Valuation. Instead, the comparable transaction method is more commonly used for valuing small-to-medium companies. Under the premises of limited publicly available transaction data of small-to-medium construction engineering T&I companies, the value of the Target Company can be more accurately reflected through adjustments to comparable transactions. Prior to the Valuation Date, the Valuer identified several sale transactions of companies within the same industry as the Target Company for comparison. Therefore, the comparable transaction method of the market approach was adopted in the Valuation.

Selection Criteria of Comparable Transactions

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

- (a) the underlying companies are principally engaged in provision of construction engineering T&I services;
- (b) the underlying companies operate in China;
- (c) the transactions 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), or announced on the Shanghai United Assets and Equity Exchange* (上海聯合產權交易所), which took place within three years of the Valuation Date (i.e. 31 December 2024);
- (d) the underlying companies are relatively mature, have certain amount of assets and business scale, and recorded a revenue of no less than RMB50,000,000 for 2023^(Note); and
- (e) the transactions resulted in change in controlling interest of the underlying companies.

Note: Due to the limited amount of information regarding smaller-scale T&I service companies that is publicly available, the Valuer has to rely on publicly available transaction information, which typically involves larger-scale acquisition targets, in the Valuation. In addition, the acquisition consideration of larger-scale T&I service companies tend to be more stable and provide greater reference value. As such, transactions of larger-scale T&I service companies were considered in the Valuation.

In setting the benchmark for identifying comparable transactions, the Valuer has considered the “2023 National Inspection and Testing Services 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, which provides that the average revenue generation capability of large-scale T&I service companies in 2023 was approximately RMB50 million. Based on this benchmark, the Valuer identified three comparable transactions for analysis. To reflect the difference in operating scale of the Target Company and the underlying companies in the comparable transactions, size adjustment was made in the Valuation by applying the size difference correction coefficient. Having considered the aforesaid factors, despite the disparity of revenue generation capacity between the Target Company and the underlying companies of the comparable transactions, the Valuer is of

the view that adopting a revenue threshold of “no less than RMB50 million for 2023” in identifying comparable transactions aligns with industry norms and allows for a meaningful valuation analysis.

Comparable Transactions

The nature of business of the underlying companies of the comparable transactions are set out in the table below:

Underlying company of comparable transaction⁽¹⁾	Nature of business⁽²⁾
Company A	Provision of construction engineering T&I services, including but not limited to hydraulic engineering and environmental testing, surveying and mapping services and geological survey
Company B	Provision of construction engineering T&I services, including but not limited to hydraulic engineering and environmental testing, surveying and mapping services, and territorial spatial planning
Company C	Provision of construction engineering T&I services, and surveying and mapping services

Notes:

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.
2. The exact percentage of revenue generated from provision of construction engineering T&I services is not publicly available but having considered that the principal businesses of the underlying companies are provision of construction engineering T&I services, it is estimated that not less than 50% of the revenue of the underlying companies were derived from provision of construction engineering T&I services.

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 in the paragraph headed “Selection Criteria of Comparable Transactions” 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

Due to the limited amount of information regarding smaller-scale T&I service companies that is publicly available, the Valuer has to rely on publicly available transaction information, which typically involves larger-scale acquisition targets, in the Valuation. As such, to reflect the scale difference between the Target Company and the underlying companies in the comparable transactions, “scale difference correction coefficient” and “weights” were applied, which are commonly used in transaction-case comparison method to reflect the difference in operation scale between the valuation subject and the comparable companies.

Scale Difference Correction Coefficient

In calculating the correction 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.

The scale difference correction 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). This reflects the scale of Target Company which is more similar to that of Class II T&I service providers.

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 the underlying company	Weight of the factor	Score out of 10
1.	Market size (<i>Note 1</i>)	Mid-sized company	40%	5
	Stability of the acquisition consideration (<i>Note 2</i>)	Relatively high	30%	5
	Reliability of the adjusted acquisition consideration (<i>Note 2</i>)	Relatively high	30%	5
			Score	5
2.	Market size (<i>Note 1</i>)	Small-to-medium sized company	40%	3
	Stability of the acquisition consideration (<i>Note 2</i>)	Relatively stable but less stable when compared to Company A's	30%	3
	Reliability of the adjusted acquisition consideration (<i>Note 2</i>)	Relatively reliable but less reliable when compared to Company A's	30%	3
			Score	3
3.	Market size (<i>Note 1</i>)	Small-sized company	40%	1
	Stability of the acquisition consideration (<i>Note 2</i>)	Least stable	30%	1
	Reliability of the adjusted acquisition consideration (<i>Note 2</i>)	Larger adjustments were made and least reliable among the three underlying companies	30%	1
			Score	1

Notes:

- The Target Company has shown promising growth potential. Based on the audited financial statements of the Target Company, the Target Company's revenue increased by 167.6% to RMB8,773,000 for FY2024 from RMB3,279,000 for FY2023. In light of this, the Valuer is of the view that transactions of larger-scale companies can better reflect the growth expectation of the Target Company, thus a higher score was given to such company.

2. Larger-scale construction engineering T&I service companies dominate the industry and there is a rising trend for market concentration. As such, the acquisition consideration of larger-scale construction engineering T&I service company is more stable, thus a higher score was given to such company.
3. Larger adjustments were made to the acquisition consideration of smaller-scale construction T&I service companies and the acquisition consideration of such companies are deemed to be less reliable, thus a lower score was given to such company.

Total score of the comparable transactions = 5 + 3 + 1 = 9

Weights assigned to the adjusted acquisition consideration of Company A, B and C of 0.6, 0.3 and 0.1 can be calculated using the following formula:

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

A higher weight was assigned to larger-scale construction engineering T&I service companies having considered the following factors:

- (a) larger-scale construction engineering T&I service companies dominate the industry and there is a rising trend for market concentration; and
- (b) the Target Company has shown promising growth potential. Based on the audited financial statements of the Target Company, the Target Company's revenue increased by 167.6% to RMB8,773,000 for FY2024 from RMB3,279,000 for FY2023.

As such, the Valuer is of the view that the transactions of larger-size companies can better reflect the growth expectation of the Target Company and has greater reference value, thus a higher weighing was applied.

Appraised Value of the Target Company

The value of the entire equity interest of the Target Company equals to the sum of the weighted and adjusted acquisition consideration of the underlying companies which can be calculated using the following formula:

$$\text{Weighted and Adjusted Acquisition Consideration} = \frac{\text{Acquisition Consideration} \times \text{Scale Difference}}{\text{Correction Coefficient} \times \text{Weight}} \times \text{Equity Percentage of the Transaction}$$

For value of the parameters in the above formula, please refer to the paragraphs headed "Comparable Transactions" and "Key Inputs to the Valuation" above.

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 market approach and transaction-case comparison method;
- (c) selection criteria for identifying comparable transactions and the list of comparable transactions;
- (d) the reasons for applying scale difference correction coefficient and weights in the Valuation. In particular, the rationale for applying a higher weighting for a larger-sized company; and
- (e) the calculation of the Valuation.

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

GENERAL

The information provided in this supplemental announcement does not affect other information contained in the Announcement. Save as disclosed above, the contents of the Announcement remain unchanged.

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
Mr. Lai Feng
Chairman and executive Director

Hong Kong, 14 May 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).

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