TECHNOVATOR INTERNATIONAL LIMITED
同方泰德國際科技有限公司*

(incorporated in Singapore with limited liability)

(Stock Code: 1206)

2024 ANNUAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS

The board of directors (the "**Board**") of Technovator International Limited (the "**Company**" or "**Technovator**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, which are derived from the audited consolidated financial statements of the Group. These results have been reviewed by the Company's audit committee, which comprises three independent non-executive Directors.

* *For identification purposes only*

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2024
*(Expressed in Renminbi ("**RMB**"))*

	Note	**2024** **RMB'000**	2023 RMB'000
Revenue	2,3	**1,829,233**	1,838,010
Cost of sales		**(1,684,040)**	(1,668,687)
Gross profit		**145,193**	169,323
Other revenue		**32,405**	27,714
Other net (loss)/gain		**(3,684)**	830
Selling and distribution costs		**(85,759)**	(63,320)
Administrative and other operating expenses		**(164,224)**	(168,183)
Impairment loss on trade and other receivables and contract assets		**(210,018)**	(57,650)
Share of (losses)/profits of an associate		**(153)**	64
Loss from operations		**(286,240)**	(91,222)
Finance costs	4(a)	**(10,557)**	(8,454)
Loss before taxation		**(296,797)**	(99,676)
Income tax	5(a)	**31,752**	(271)
Loss for the year		**(265,045)**	(99,947)
(Loss)/profit attributable to:			
Equity shareholders of the Company		**(265,908)**	(100,964)
Non-controlling interests		**863**	1,017
Loss for the year		**(265,045)**	(99,947)
Loss per share	6		
Basic (RMB)		**(0.3400)**	(0.1291)
Diluted (RMB)		**(0.3400)**	(0.1291)

The accompanying notes form part of these financial statements.

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024
*(Expressed in Renminbi ("**RMB**"))*

	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(265,045)**	(99,947)
Other comprehensive income for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**(522)**	829
Total comprehensive income for the year	**(265,567)**	(99,118)
Attributable to:		
Equity shareholders of the Company	**(266,430)**	(100,135)
Non-controlling interests	**863**	1,017
Total comprehensive income for the year	**(265,567)**	(99,118)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024
*(Expressed in Renminbi ("**RMB**"))*

	Note	**31 December 2024** ***RMB'000***	31 December 2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**60,709**	81,746
Interests in an associate		**–**	3,596
Intangible assets		**576,200**	584,638
Financial assets measured at amortised cost		**376,039**	343,796
Deferred tax assets		**58,496**	47,750
		1,071,444	1,061,526
Current assets			
Inventories		**1,363,757**	1,282,681
Contract assets		**987,448**	976,224
Trade and other receivables	*7*	**1,687,280**	1,748,170
Prepayments		**114,307**	116,407
Cash and cash equivalents		**344,686**	363,318
		4,497,478	4,486,800
Current liabilities			
Trade and other payables	*8*	**2,400,263**	2,222,978
Contract liabilities		**148,360**	73,582
Loans and borrowings		**308,982**	275,846
Lease liabilities		**921**	1,934
Income tax payable		**28,869**	35,312
		2,887,395	2,609,652
Net current assets		**1,610,083**	1,877,148
Total assets less current liabilities		**2,681,527**	2,938,674

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ***(continued)***
At 31 December 2024
*(Expressed in Renminbi (“**RMB**”))*

	Note	**31 December 2024** *RMB’000*	31 December 2023 *RMB’000*
Non-current liabilities			
Deferred tax liabilities		**3,383**	22,389
Deferred income		**6,580**	7,120
Loans and borrowings		**38,598**	10,000
Lease liabilities		**–**	632
		48,561	40,141
NET ASSETS		**2,632,966**	2,898,533
CAPITAL AND RESERVES			
Share capital	*9*	**1,189,968**	1,189,968
Reserves		**1,423,792**	1,690,222
Total equity attributable to equity shareholders of the Company		**2,613,760**	2,880,190
Non-controlling interests		**19,206**	18,343
TOTAL EQUITY		**2,632,966**	2,898,533

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Expressed in RMB unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Changes in accounting policies

New and amended HKFRSs

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("**2020 amendments**") and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 REVENUE

The Group are principally engaged in integrated and comprehensive urban smart energy saving services. Its business covers three major segments including smart transportation, smart building and complex and smart energy, providing the customers with smart energy management products, solutions and integrated services throughout their full life cycles.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by service lines is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from smart transportation business	**435,196**	467,056
Revenue from smart building and complex business	**720,259**	822,510
Revenue from smart energy business	**673,778**	548,444
	1,829,233	1,838,010

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 3(a) and 3(c) respectively.

3 SEGMENT REPORTING

The Group manages its businesses by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

Smart transportation business ("**STB**"): It comprises a series of proprietary software and hardware products and systems for rail transit such as Integrated Supervision and Control System ("**ISCS**"), Building Automation System ("**BAS**") for rail transit and safety door system, providing integrated solutions with full life cycles ranging from planning, procurement, installation and commissioning to aftersales service.

Smart building and complex business ("**SBB**"): It provides integrated intelligence solutions and efficiency management services, namely integrated energy consumption monitoring, energy-saving consultation and reformation services and integration and product supply of intelligence system for buildings, aimed at different building and complex and rendering full life-cycle services of which reduces energy consumption and operating costs of buildings.

Smart energy business ("**SEB**"): It comprises a series of leading technologies such as regional energy planning, integrated utilisation of industrial waste heat recovery technology, heat pump technology, independent temperature and humidity control technology and variable air rate technology applied in the energy cascade utilisation as well as optimisation and transformation of energy system. The Group possess self-owned core leading technologies (in the field of urban heating network) such as heating network & heating source monitoring and optimal regulation, distributed variable frequency heating technology, cooling and heating network balancing technology, combined multi-heat sources heating technology.

3 SEGMENT REPORTING *(Continued)*

(a) Information about reportable segments

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of products, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment results is profit or loss before income tax adjusted for items not specifically attributed to individual segments, such as finance cost, depreciation and amortisation, and certain allocated head office and corporate expenses/(gains). Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue (including inter-segment sales), interest income and impairment losses. Inter-segment pricing is determined on a consistent basis using market benchmarks.

Segment assets and liabilities are not regularly reported to the Group's senior executive management and therefore information of reportable segment assets and liabilities are not presented in the consolidated financial statements.

3 SEGMENT REPORTING *(Continued)*

(a) Information about reportable segments *(Continued)*

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below:

	STB		SBB		SEB		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Disaggregated by timing of revenue recognition								
Point in time	**16,477**	13,863	**130,207**	133,954	**78,280**	99,892	**224,964**	247,709
Over time	**418,719**	453,193	**590,052**	688,556	**595,498**	448,552	**1,604,269**	1,590,301
Revenue from external customers	**435,196**	467,056	**720,259**	822,510	**673,778**	548,444	**1,829,233**	1,838,010
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**–**	–
Reportable segment revenue	**435,196**	467,056	**720,259**	822,510	**673,778**	548,444	**1,829,233**	1,838,010
Reportable segment (loss)/profit	**(106,227)**	7,382	**(118,844)**	(5,760)	**75,046**	33,506	**(150,025)**	35,128
Interest income	**897**	2,037	**375**	1,684	**28,216**	20,866	**29,488**	24,587
Impairment loss on trade and other receivables and contract assets	**(76,201)**	(17,076)	**(111,469)**	(26,587)	**(22,348)**	(13,987)	**(210,018)**	(57,650)
Impairment loss on property, plant and equipment	**–**	–	**–**	–	**–**	(24,528)	**–**	(24,528)
Impairment reversals/(loss) on prepayments	**(344)**	899	**(569)**	1,583	**(830)**	(2,384)	**(1,743)**	98

(b) Reconciliations of reportable segment profit or loss

	2024	2023
	RMB'000	*RMB'000*
Profit		
Reportable segment (loss)/profit	**(150,025)**	35,128
Depreciation and amortisation	**(123,416)**	(113,817)
Finance costs	**(10,557)**	(8,454)
Unallocated head office and corporate expenses	**(12,799)**	(12,533)
Consolidated loss before taxation	**(296,797)**	(99,676)

3 SEGMENT REPORTING *(Continued)*

(c) Geographic information

For the year ended 31 December 2024, as the Group does not have material operations outside the People's Republic of China ("**PRC**"), no geographic segment information is presented.

4 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	2024	2023
	RMB'000	*RMB'000*
Interest on loans and borrowings	**10,465**	8,315
Interest on lease liabilities	**92**	139
	10,557	8,454

(b) Staff costs

	2024	2023
	RMB'000	*RMB'000*
Salaries and other benefits	**147,075**	181,482
Contributions to defined contribution retirement schemes	**21,422**	25,140
	168,497	206,622

5 INCOME TAX

(a) Income tax in the consolidated income statement represents:

	2024	2023
	RMB'000	*RMB'000*
Current tax		
Provision for the year	**2,534**	11,899
(Over)/under-provision in respect of prior years	**(4,534)**	127
	(2,000)	12,026
Deferred tax		
Origination and reversal of temporary differences	**(29,752)**	(11,755)
	(31,752)	271

5 INCOME TAX *(Continued)*

(b) Reconciliation between income tax expense and (loss)/profit before taxation at applicable tax rates:

	Notes	**2024** **RMB'000**	2023 *RMB'000*
Loss before taxation		**(296,797)**	(99,676)
Expected tax calculated at the respective tax rates	*(i)/(ii)*	**(73,481)**	(23,931)
Tax effect on non-deductible expenses		**3,312**	13,500
Effect of tax concession	*(iii)*	**(5,640)**	(1,309)
Tax effect of unused tax losses and temporary differences		**48,591**	11,884
(Over)/under-provision in respect of prior years		**(4,534)**	127
Actual income tax expense		**(31,752)**	271

Notes:

(i) The Company is subject to Singapore corporate income tax at 17% for the years ended 31 December 2024 and 2023. No provision for Singapore income tax was made because the Company sustained tax losses for the years ended 31 December 2024 and 2023.

(ii) The subsidiaries of the Group established in the PRC are subject to PRC corporate income tax ("**CIT**") rate of 25% for the years ended 31 December 2024 and 2023.

The subsidiary of the Group established in the Cayman Islands is not subject to any income tax pursuant to the rules and regulations of the Cayman Islands.

The subsidiary of the Group established in Hong Kong is subject to Hong Kong profits tax rate of 16.5% for the years ended 31 December 2024 and 2023.

(iii) Tongfang Technovator Int (Beijing) Co., Ltd. ("**Technovator Beijing**") is recognised as a high and new technology enterprise and is eligible to enjoy a preferential tax rate of 15% until December 2026.

Tongfang Energy Saving Engineering Technology Co., Ltd. ("**Tongfang Energy Saving**") is recognised as a high and new technology enterprise and is eligible to enjoy a preferential tax rate of 15% until December 2025.

Tongfang Technovator Software (Beijing) Co., Ltd. ("**Tongfang Software**") is recognised as a high and new technology enterprise and is eligible to enjoy a preferential tax rate of 15% until December 2024.

6 LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB265,908,000 (2023: loss of RMB100,964,000) and the weighted average number of ordinary shares of 782,192,189 (2023: 782,192,189) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2024	2023
	Number of shares	*Number of shares*
Issued ordinary shares at 1 January	**782,192,189**	782,192,189
Effect of purchase of own shares	**–**	–
Weighted average number of ordinary shares at 31 December	**782,192,189**	782,192,189

(b) Diluted loss per share

There were no dilutive potential shares outstanding during the years ended 31 December 2024 and 2023.

7 TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade debtors due from related parties	**161,821**	273,971
Other trade debtors	**1,651,168**	1,547,848
Bills receivable	**64,917**	30,061
Less: Allowance for doubtful debts	**(260,474)**	(182,237)
	1,617,432	1,669,643
Other receivables		
– amounts due from related parties	**2,054**	1,697
– amounts due from third parties	**103,241**	89,656
Less: Allowance for doubtful debts	**(35,447)**	(12,826)
	1,687,280	1,748,170

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

7 TRADE AND OTHER RECEIVABLES *(Continued)*

Ageing analysis

Included in trade and other receivables are trade debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis as of the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Current	**1,548,031**	1,618,425
Less than 1 month past due	**2,127**	5,368
More than 1 month but less than 3 months past due	**1,179**	6,131
More than 3 months but less than 12 months past due	**44,960**	25,729
More than 12 months past due	**21,135**	13,990
	69,401	51,218
	1,617,432	1,669,643

Trade debtors and bills receivable are due within 1–180 days from the date of billing.

8 TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade and bills payables due to related parties	**86,816**	100,601
Other trade and bills payables	**2,089,130**	1,942,390
	2,175,946	2,042,991
Other payables and accruals		
– amounts due to related parties	**26,262**	21,383
– amounts due to third parties	**198,055**	158,604
Financial liabilities measured at amortised cost	**2,400,263**	2,222,978

All of the above balances are expected to be settled within one year or are repayable on demand. Included in trade and other payables are trade and bills payables with the following ageing analysis as of the end of reporting period:

	2024	2023
	RMB'000	*RMB'000*
By date of invoice:		
Within 3 months	**1,268,761**	1,393,654
More than 3 months but within 6 months	**220,719**	79,559
More than 6 months but within 12 months	**132,774**	83,810
More than 12 months	**553,692**	485,968
	2,175,946	2,042,991

9 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

There were no dividends payable to equity shareholders attributable to the previous financial year, and no dividends were approved and paid during 2024 and 2023.

(b) Share capital

	2024		2023	
	Number of shares	***Amounts RMB'000***	*Number of shares*	*Amounts RMB'000*
Ordinary shares issued and fully paid:				
At 1 January	**782,192,189**	**1,189,968**	782,192,189	1,189,968
Shares repurchased and cancelled	**–**	**–**	–	–
At 31 December	**782,192,189**	**1,189,968**	782,192,189	1,189,968

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

There were no shares issued by the Company during 2024 and 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

In 2024, under the dual pressures of stricter local government regulations on debt financing and weak market demand, the overall investment in the target markets showed a contraction trend. The Group recorded revenue of approximately RMB1,829.2 million for the year, representing a slight decrease of 0.5% year-on-year, and maintained a stable market shares. The intensifying industry competition led to a significant decline in gross profit margin for the period and had a significant negative impact on net profit, which, coupled with the impact of the increase in impairment provision for certain projects, has resulted in a loss of approximately RMB265.0 million for the year. The Group will further promote lean management throughout the project lifecycle, focus on improving gross profit margin of the projects, and strengthen the management of project settlement and payment collection, thus laying a solid foundation for sustainable development of the Group.

BUSINESS REVIEW

Smart Transportation Business

The smart transportation business further consolidates its industry-leading position through deeply integrating cutting-edge technologies, promoting technological innovation and product iteration and upgrading.

During the year, the second and third phases of Wuhan Metro Line 11 (武漢地鐵11號綫二期、三期), of which the Group participated in the construction, were officially opened for operation. As the first case of migrating the integrated supervision and control system cloud platform for existing lines in China, this project innovatively established a smart management system featuring "three active centres (三活中心)", namely primary centre, backup centre, and testing centre. While ensuring the normal operation of the first phase of Line 11, the Group successfully completed the seamless migration of the integrated supervision and control system cloud platform for the second and third phases of the project and connected nine stations from the branch line into the original platform, achieving the centralised and efficient operation management. The success of this project not only provided a solid assurance for the high-standard construction and high-quality development of Wuhan rail transit, but also established a benchmark demonstration for the construction and transformation of similar urban rail transit projects in China.

For rail transit market in Changchun, the Group demonstrated robust growth and successively won the integrated supervision and control system projects for the first phase of Line 7, the first phase of Line 5 and the eastern extension of Line 2 of Changchun Rail Transit, realising a comprehensive coverage of the Changchun rail transit integrated supervision and control system market. Such series of achievements not only highlighted the Group's strong technical capabilities and industry influence, but also served as a testament to the Group's contributions to urban development and smart transportation construction.

During the year, the Group actively expanded its presence in the urban rail transit market and successfully won the bid for the project to supply integrated supervision and control equipment for Hangzhou-Deqing Intercity Railway Project (杭州至德清市域鐵路工程) (including the second and third phases of Line 10). This project will deeply integrate diversified smart systems and functions such as smart stations, smart maintenance, energy management, construction management and asset management into the conventional integrated supervision and control system. It strives to create a new generation of rail transit system with higher intelligence and operational efficiency, injecting new vitality into smart transportation construction.

Smart Building and Complex Business

In the field of smart building and complex, the Group continuously broadened its business scope and fortified its strategic cooperation with CNNC to promote industry innovation and development.

During the year, the Group won the bid of the Project for the Construction of Safe Campus and Technological Security System for the Tongzhou Campus of Renmin University of China (中國人民大學通州校區平安校園技防體系建設項目). This project focused on building a comprehensive, round-the-clock and smart video surveillance system, and deeply integrated security, fire protection and other systems. Through the campus digital twin platform, it integrated intelligent AI analysis functions such as identity identification, vehicle identification, behaviour recognition and security and fire protection linkage, and achieved a leapfrog upgrade from the existing analogue + digital campus security system to the smart prevention and control system, significantly improving the centralisation and deployment efficiency of campus management and setting up a new benchmark for smart campus security construction.

During the year, the Group actively expanded its business with CNNC and undertook the smart park project for China Nuclear Power Operation Technology Innovation Research and Safeguard Base (中國核電運行技術創新研究與保障基地). The project covered dozens of smart IoT systems, including smart lighting, security system, conference room system, integrated energy system, information release system and building control system. It aimed to create a new-generation of production and R&D base for nuclear power operation technology characterised by digitalisation and intelligence, injecting new momentum into the sustainable development of the nuclear power industry.

The Construction Project for Zhonghe Headway Smart Park (中核海得威智慧園區建設項目) is another important achievement of the Group in deepening the collaboration with CNNC. Relying on the Group's leading edge in smart integration technology, it innovatively created the "central brain" of the nuclear industry's smart park, realising the centralised control of various systems and facilities in the park. It utilised BIM modelling, digital twin, BI data visualisation and other cutting-edge technologies to build a three-dimensional visualisation cockpit, which significantly improved the smart and digital management level of the park, comprehensively improved the operational efficiency, and established a benchmark demonstration for the construction of similar smart parks.

Smart Energy Business

The Group continued to expand its presence in contractual energy management business in the smart energy sector to serve the green and low-carbon transformation of high-energy-consuming industries. Through continuous optimisation and innovation, the Group successfully won a number of contractual energy management projects in Longxi, Baotou and Tianshui, demonstrating its outstanding strength in driving energy transition and smart upgrades.

During the year, Daqing Intelligent Heating Project (大慶市智慧供熱項目), a contractual energy management project, achieved remarkable results, successfully completing the automatic control system for nearly 900 heat exchange systems across the entire network and facilitating the construction of the multi-heat sources networking of Daqing Thermal Power Group (大慶市熱力集團). By innovatively applying multi-heat sources networking technology, it effectively reduced the impact of single-heat source failure on the entire system, enhancing the stability of the heating system's operation.

The newly signed Rongcheng Nuclear Heating Supporting Pipeline and Facilities Construction Project (榮成市核能供熱配套管網及設施建設項目) marked a significant breakthrough for the Group in the nuclear heating sector. As the Group's first cross-regional new project for "nuclear waste heat + large temperature difference units + long-distance heating (核能餘熱+大溫差機組+長輸供熱)" application scenario, it fully demonstrated the Group's comprehensive technical advantages in nuclear heating, smart heating and system integration. The project will assist Rongcheng in achieving clean nuclear heating, providing more environmentally friendly and efficient heating services for local residents.

The Heating Project for Xincheng District and Saihan District in Hohhot (呼和浩特市新城區及賽罕區溫暖工程) signed by the Group is a key demonstration project for Inner Mongolia's "Heating Project (溫暖工程)". Through comprehensive smart upgrades of the heating system, it will strongly support the local area in providing safe, stable and high-quality heating services, increasing the warmth of public services with better heating services.

During the year, the Group continued to deepen the strategic synergy with CNNC in smart energy business. The first smart energy-saving management system for nuclear power plants was successfully launched in Fuqing Nuclear Power Plant Electricity-Saving Project (福清核電站廠用電節能項目), achieving a major breakthrough in the development of delicacy management for electric power use in a nuclear plant. Additionally, the Group signed contracts for Fuqing Nuclear Power Water Ecosystem R&D and Application Project (福清核電水生態系統研發及應用項目) and Xudabao Nuclear Power Plant Environment Monitoring Project (徐大堡核電廠環境監測項目), contributing to the Group's innovation, development and quality improvement in the smart energy business.

OUTLOOK

Technovator will uphold its strategic determination and adhere to the basic principle of pursuit of steady and progressive development. We will seize the opportunities brought by the "significant strategies and critical fields (兩重)" and "renewal and replacement (兩新)" policies to accelerate the commercialisation of its scientific and technological achievements through driving growth by innovation, increasing investment in R&D, and focusing on breakthroughs and iterations in key technologies. Emphasising quality improvement and efficiency enhancement, the Group will strengthen its project management, deepen its brand culture construction, and continuously enhance its capability on creating brand equity through high-quality products and services. Meanwhile, the Group will strengthen the market synergy with various business segments within CNNC, promote in-depth integration of industry, academia and research with Tsinghua University, and foster resource sharing and complementary advantages to form a powerful synergy, thereby enhancing the Group's overall competitiveness in complex and volatile market environments and continuously leading the industry towards high-quality and sustainable development.

FINANCIAL REVIEW

Revenue

In 2024, a competitive trend of "shrinking volume and declining price" has been seen in our target markets. To ease the pressures on our operation brought about by in-depth adjustment in the supply and demand structure, the Group optimised its market layout, strengthened the synergy mechanism with its strategic customers and strived to maintain its market shares. The Group recorded a net revenue of RMB1,829.2 million for the full year, representing a year-on-year decrease of 0.5%. The Group will further explore potential opportunities and continuously enhance its core competitiveness by integrating resources with innovation-driven forces and cultivating new business growth drivers.

Revenue by business segments

The table below sets forth the Group's revenue by business segments for the years indicated.

	2024		2023		
	Revenue *(RMB'000)*	**% of revenue**	Revenue *(RMB'000)*	% of revenue	Comparison
Smart transportation	**435,196**	**23.8%**	467,056	25.4%	-6.8%
Smart building and complex	**720,259**	**39.4%**	822,510	44.8%	-12.4%
Smart energy	**673,778**	**36.8%**	548,444	29.8%	22.9%
Total	**1,829,233**	**100%**	1,838,010	100%	-0.5%

Smart Transportation

In 2024, the smart transportation business achieved a revenue of approximately RMB435.2 million, representing a decrease of 6.8% from approximately RMB467.1 million for 2023. The decrease in revenue was mainly affected by the rescheduling of the tendering process and the delayed commencement of works by some owners during the first half of the year. Although the Group has actively speeded up the contract signing for the projects for which the Group has won the bids and the progress of delayed projects in the second half of the year, the overall revenue of this business segment still declined as compared to that of the previous year. During the year, the Group was deeply involved in the construction of rail transit in Chongqing and Changchun, focusing on the construction of key projects such as the integrated monitoring system for the first and second phases of Chongqing Rail Transit Line 6 (重慶軌道交通6號綫一、二期綜合監控系統), the project for the integrated monitoring system for the east extension of Line 6 (6號綫東延工程綜合監控系統項目), and the integrated supervision and control system for the first phase of Line 7, the first phase of Line 5 and the east extension of Line 2 of Changchun Rail Transit (長春市軌道交通7號綫一期、5號綫一期、2號綫東延綫工程綜合監控系統), for which progress has been made and settlement income has been recorded.

Smart Building and Complex

The smart building and complex business recorded a revenue of approximately RMB720.3 million, representing a year-on-year decrease of 12.4% from approximately RMB822.5 million in 2023. Facing the challenges brought about by the prolonged contraction in investment in its target markets, the Group has responded to the market changes with multiple initiatives, actively adjusted its market strategies and deepened the strategic synergy with CNNC to vigorously expand its footprint to emerging markets and cultivate new growth drivers. During the year, the Group achieved significant progress in projects related to public welfare sectors such as healthcare and education. Projects such as the Science City branch of the Fourth People's Hospital of Chongqing (重慶市第四人民醫院科學城院區), the Safe Campus Technology and Protection System Construction Project of Renmin University of China (Tongzhou Campus) (中國人民大學通州校區平安校園技防體系建設項目), the Super Computer Project for Northeastern University (東北大學超算項目) and the High-Performance Computer Group Project for Jilin University (吉林大學高性能計算機群), which have made solid contribution to the segment revenue. Meanwhile, in the nuclear power sector, projects such as the smart parks of China Nuclear Power Operation Technology Innovation Research and Safeguard Base and the Zhonghe Headway Smart Park Construction Project also achieved milestone progress and made contribution to the segment revenue.

Smart Energy

The smart energy business recorded a revenue of approximately RMB673.8 million in 2024, representing an increase of 22.9% from approximately RMB548.4 million for the corresponding period last year. The segment maintained its strong growth momentum, which was mainly attributable to the Group's technological innovation and market expansion in the heating supply sector. During the year, the Group, with its outstanding project execution capabilities, focused on progressing the implementation of several newly signed projects with landmark significance, such as the Daqing Intelligent Heating Project (大慶市智慧供熱項目), the Rongcheng Nuclear Heating Supporting Pipeline and Facilities Construction Project (榮成市核能供熱配套管網及設施建設項目), the Heating Project for Xincheng District and Saihan District in Hohhot (呼和浩特市新城區及賽罕區溫暖工程項目), and the Taiyuan Thermal Centralised Heating Networking Expansion and Renovation Phase II Project (太原熱力集中供熱聯網擴容改造二期), which have made significant contribution to the segment revenue. Meanwhile, the Group continued to carry out the construction of thermal power and clean heating infrastructure projects in Xinjiang Tianfu and Songyuan (新疆天富、松原熱電清潔供暖基礎設施建設項目), Guoneng Jilin Jiangnan Heat Network Demonstration Application (國能吉林江南熱網示範運用), and the construction projects of several new energy production enterprises under CNNC to boost the segment revenue.

Cost of sales

The Group's cost of sales increased by 0.9% from approximately RMB1,668.7 million in 2023 to approximately RMB1,684.0 million in 2024, which was mainly attributable to the decrease in gross profit margin.

Gross profit

Gross profit decreased by 14.2% from approximately RMB169.3 million in 2023 to approximately RMB145.2 million in 2024. Gross profit margin for the year was approximately 7.9%, representing a decrease of 1.3 percentage points as compared to that of the corresponding period last year. Against the backdrop of intensifying industry competition, in order to ensure its long-term development goals, the Group has optimised its market strategy and layout to enhance its long-term competitive edges in the market, which resulted in a certain degree of decline in the overall gross profit margin.

Other revenue

In 2024, the Group recorded other revenue of approximately RMB32.4 million, representing an increase of approximately 17.0% as compared to approximately RMB27.7 million of 2023, mainly attributable to the increase in interest income for EMC projects.

Selling and distribution costs

Selling and distribution costs of the Group for 2024 were approximately RMB85.8 million, representing a year-on-year increase of 35.5% as compared to approximately RMB63.3 million for 2023. Selling and distribution costs accounted for 4.7% (2023: 3.4%) of the revenue. The Group continued to deepen its market expansion strategies, increased investment in marketing resources and strengthened its competitive edge in the market, resulting in a substantial increase in selling costs.

Administrative and other operating expenses

Administrative and other operating expenses decreased by 2.4% from approximately RMB168.2 million for 2023 to approximately RMB164.2 million for 2024. A year-on-year decrease in administrative and other operating expenses was due to the Group's strengthening control on labour cost.

Impairment loss on trade and other receivables and contract assets

In 2024, the Group made provision for impairment loss on trade and other receivables and contract assets of approximately RMB210.0 million, representing a year-on-year increase of approximately 264.0% from approximately RMB57.7 million for 2023. The significant increase in impairment loss on trade and other receivables and contract assets as compared with the same period of last year was mainly due to the prolonged collection cycle of payments for projects caused by some customers' temporary delay in making payment as affected by changes in the industry environment. In addition, the aged receivables for some of the early projects increased as their scheduled payments were lagging behind. Having considered various factors such as the settlement cycle and payment collection arrangements, the Group increased the amount of provision for impairment accordingly. The Group will continue to promote the collection of payment and settlement arrangement for the projects to ensure stable operating cash flow.

Finance costs

Finance costs of the Group for 2024 were approximately RMB10.6 million, representing a year-on-year increase of 24.7% as compared to approximately RMB8.5 million for 2023. In response to the cash flow needs for the phases of the industry cycle and the business expansion arrangement, the Group moderately increased the amount of loans to ensure liquidity.

Income tax

Income tax decreased from approximately RMB0.3 million in 2023 to approximately RMB-31.8 million for the year, mainly attributable to the decrease in the income tax expense related to the recognition of deferred income tax assets resulted from the increase in the provision for impairment loss on trade and other receivables and contract assets.

Loss for the period

In 2024, the Group recorded the loss of approximately RMB265.0 million, as compared to the loss of approximately RMB99.9 million for 2023. Net profit margin decreased to approximately -14.5% for the year from -5.4% for the same period last year. The increase in loss and the decrease in net profit margin for the period were mainly attributable to the decrease in gross profit and increase in impairment losses.

The basic and diluted loss per share from continuing operations of the Group amounted to RMB0.3400 (2023: RMB0.1291).

Working capital and financial resources

The following table sets forth the Group's current assets and liabilities as at the dates indicated:

	As at 31 December 2024 ***(RMB'000)***	As at 31 December 2023 *(RMB'000)*
Inventories	**1,363,757**	1,282,681
Trade and other receivables*(Note 1)*	**1,801,587**	1,864,577
Trade and other payables	**2,400,263**	2,222,978
Average inventory turnover days	**264**	246
Average trade receivables turnover days*(Note 2)*	**329**	290
Average trade payables turnover days*(Note 2)*	**437**	387

Note 1: Trade and other receivables included trade and other receivables and prepayments

Note 2: The calculation of turnover days excluded other receivables, other payables and related party amounts

The Group's inventories increased by 6.3% from approximately RMB1,282.7 million as at 31 December 2023 to approximately RMB1,363.8 million as at 31 December 2024. In order to accelerate the project progress, the Group prepared inventories in advance to ensure smooth progress of the projects, resulting in a year-on-year increase in inventory, and the inventory turnover days increased to approximately 264 days as compared to the corresponding period last year.

The Group's trade and other receivables amounted to approximately RMB1,801.6 million as at 31 December 2024, representing a decrease of 3.4% as compared to approximately RMB1,864.6 million as at 31 December 2023. The average trade receivables turnover days increased from 290 days for the corresponding period of last year to 329 days. The increase in turnover days was due to the further extension of the credit terms to the customers as affected by the intensifying competition in the industry.

The Group's trade and other payables increased by 8.0% from approximately RMB2,223.0 million as at 31 December 2023 to approximately RMB2,400.3 million as at 31 December 2024. The Group's average trade payables turnover days increased from approximately 387 days in 2023 to approximately 437 days in 2024. The Group did its best to secure more favourable credit terms, optimised payment cycle arrangements and enhanced the efficiency of fund use, which led to an increase in trade and other payables and the turnover days of the payables.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group financed its operations primarily through cash flow from operations and cash balance on hand. As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB344.7 million, which accounted for 13.1% of the Group's net assets (31 December 2023: cash and cash equivalents of approximately RMB363.3 million).

As at 31 December 2024, the Group's indebtedness consisted of short-term bank loans of approximately RMB302.2 million with an average interest rate of 3.39% per annum, long-term bank loans of approximately RMB8.0 million with an interest rate of 3.80% per annum and secured borrowings of approximately RMB37.4 million with an interest rate of 4.74% per annum.

As at 31 December 2024, the Group's debts were primarily bank loans denominated in RMB. Cash and cash equivalents were primarily bank deposits and cash on hand denominated in RMB, USD, HKD and SGD, and deposits that were readily convertible into known amounts of cash.

As at 31 December 2024, the net cash of the Group was approximately RMB-2.9 million (31 December 2023: net cash of approximately RMB77.5 million). Gearing ratio, defined as loans and borrowings divided by total assets, was approximately 6.2% (31 December 2023: approximately 5.2%).

PLEDGE OF ASSETS

As at 31 December 2024, the Group pledged Xinjiang Tianfu South Thermal Power Plant (新疆天富南熱電廠) and the ancillary urban heating network renovation project and obtained secured borrowings of approximately RMB37.4 million with an interest rate of approximately 4.74%.

EXCHANGE RATE FLUCTUATION RISK

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions related. The currencies exposed to this risk are primarily Singapore Dollars, Canadian Dollars, United States Dollars and Hong Kong Dollars.

However, as the Group's operations are mainly conducted in the PRC and the majority of the sales and purchases are transacted in RMB, the Directors are of the view that the foreign exchange risk did not have any material impact on the Group's financial performance during 2024, and the Group has not entered into any hedging arrangement for its foreign exchange risk. The Group will closely monitor the foreign currency movement and will assess the need to adopt any measures in relation to foreign exchange risk from time to time.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

The Group did not have any special purpose entities that provided financing, liquidity, market risk or credit support to it or were engaged in leasing, hedging or research and development services with it. The Group did not enter into any derivative contracts that were indexed to the shareholders of the Group (the "**Shareholders**") and classified as Shareholders' equity, or that were not reflected in its financial statements. Moreover, the Group did not have any retained or contingent interest in such assets that were transferred to unconsolidated entities to provide credit, liquidity or market risk support service for such entities.

EMPLOYEE, TRAINING AND DEVELOPMENT

As at 31 December 2024, the Group had a total of 669 employees compared to 665 employees as at 31 December 2023. Total staff costs decreased from approximately RMB206.6 million in 2023 to approximately RMB168.5 million in 2024.

As a matter of policy, the Group remunerates its employees based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. The Company has adopted a share award scheme on 4 December 2015 for the purpose of providing incentives and rewards to eligible members of the scheme.

The Group provides regular training for its employees to keep them abreast of the Group's products, technology developments and the market conditions of its industry. The Group also offers additional training for frontline sales staff regarding each new product launch, so as to help them deliver more effective sales and promotion. In addition, the Group's senior management also attends conferences and exhibitions to broaden their knowledge of the industry.

MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2024, the Group had no material acquisition or disposal of subsidiaries or associates.

SIGNIFICANT INVESTMENTS

For the year ended 31 December 2024, the Group had no significant investment, nor was there any plan authorised by the Board for other material investments or additions of capital assets as at 31 December 2024.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code (the "**Corporate Governance Code**") in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), except for deviation from C.5.1 of the Corporate Governance Code as disclosed below.

C.5.1 of the Corporate Governance Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals. During the year, although only two regular Board meetings were held for approving the Group's interim financial performance and annual financial performance which required the Board's decision, the Directors had frequent communication with each other during the year to discuss the overall operation and strategy of the Group, and actively exchanged their views on the performance of the Group. As such, the Directors are considered to be provided in a timely manner with appropriate information to make informed decisions and perform their duties and responsibilities.

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

The Company has adopted the Model Code set out in Appendix C3 of Listing Rules during the year ended 31 December 2024 as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions during the year ended 31 December 2024.

ISSUE OF SECURITIES

During the year ended 31 December 2024, the Company did not conduct any fund raising activities through issue of equity securities (including sale of treasury shares).

As at 31 December 2024, the number of treasury shares held by the Company is nil.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

DIVIDENDS

During 2024, the Company has not declared any dividend in respect of the financial year ended 31 December 2023. The Board does not recommend any final dividend for the year ended 31 December 2024.

BOOK CLOSURE

In order to determine the entitlement to attend and vote at the annual general meeting ("**AGM**"), the transfer books and register of members of the Company will be closed from Thursday, 12 June 2025 to Tuesday, 17 June 2025, both days inclusive, during which period no transfer of Shares in the Company will be effected. In order to be eligible to attend and vote at the forthcoming AGM of the Company to be held on Tuesday, 17 June 2025, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 11 June 2025.

AGM

The AGM of the Company will be held in Hong Kong on Tuesday, 17 June 2025. Notice of the annual general meeting will be issued and disseminated to shareholders of the Company in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.technovator.com.sg). The annual report for the year ended 31 December 2024 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to shareholders of the Company (if requested) and available on the same websites in due course.

AUDIT COMMITTEE

The Group's audited consolidated results for the year ended 31 December 2024 have been reviewed by the audit committee of the Company, who are of the opinion that the annual results comply with the applicable accounting standards, the Listing Rules and legal requirements and that adequate disclosures have been made.

SCOPE OF WORK OF THE AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary results announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the same period. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary results announcement.

By order of the Board
Technovator International Limited
Li Chengfu
Chairman

Hong Kong, 26 March 2025

As at the date of this announcement, the executive Directors are Mr. Zhao Xiaobo and Mr. Qin Bing; the non-executive Directors are Mr. Li Chengfu, Mr. Zeng Xuejie and Ms. Zhang Yanhua; and the independent non-executive Directors are Mr. Chia Yew Boon, Mr. Fan Ren Da Anthony and Ms. Lu Yao.