Technovator

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

(incorporated in Singapore with limited liability)

(Stock Code: 1206)

2025 INTERIM RESULTS ANNOUNCEMENT

INTERIM RESULTS

The board of directors (the "**Board**") of Technovator International Limited (the "**Company**") is pleased to announce the unaudited consolidated interim financial results of the Company and its subsidiaries (the "**Group**" or "**Technovator**") for the six months ended 30 June 2025 ("**1H2025**"), together with the comparative figures for the corresponding period in 2024 ("**1H2024**"). These results have been reviewed by the Company's audit committee, comprising solely the independent non-executive directors of the Company. The unaudited interim financial statements for 1H2025 have been reviewed by the Company's external auditor.

* *For identification purposes only*

CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi (“RMB”))

		Six months ended 30 June	
		2025	2024
	Note	***RMB’000***	*RMB’000*
Revenue	*3, 4*	**665,473**	512,572
Cost of sales		**(544,393)**	(456,487)
Gross profit		**121,080**	56,085
Other revenue		**10,879**	13,234
Other net gain/(loss)		**14,354**	(2,970)
Selling and distribution costs		**(28,008)**	(44,730)
Administrative and other operating expenses		**(115,055)**	(75,444)
Impairment loss on trade and other receivables and contract assets		**(8,975)**	(21,269)
Share of loss of an associate		**–**	(153)
Loss from operations		**(5,725)**	(75,247)
Finance costs	*5(a)*	**(5,029)**	(4,042)
Loss before taxation		**(10,754)**	(79,289)
Income tax	*6*	**3,091**	7,380
Loss for the period		**(7,663)**	(71,909)
Loss attributable to:			
Equity shareholders of the Company		**(6,492)**	(69,557)
Non-controlling interests		**(1,171)**	(2,352)
Loss for the period		**(7,663)**	(71,909)
Loss per share	*7*		
– Basic (RMB)		**(0.0083)**	(0.0889)
– Diluted (RMB)		**(0.0083)**	(0.0889)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi ("RMB"))

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Loss for the period	**(7,663)**	(71,909)
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**(90)**	82
Total comprehensive income for the period	**(7,753)**	(71,827)
Attributable to:		
Equity shareholders of the Company	**(6,582)**	(69,475)
Non-controlling interests	**(1,171)**	(2,352)
Total comprehensive income for the period	**(7,753)**	(71,827)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 – unaudited
(Expressed in Renminbi ("RMB"))

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		**56,732**	60,709
Intangible assets		**538,377**	576,200
Financial assets measured at amortised cost		**500,329**	376,039
Deferred tax assets		**61,189**	58,496
		1,156,627	1,071,444
Current assets			
Inventories		**1,365,083**	1,363,757
Contract assets		**937,683**	987,448
Trade and other receivables	*8*	**1,595,172**	1,687,280
Prepayments		**141,047**	114,307
Bank deposits and cash on hand		**101,761**	344,686
		4,140,746	4,497,478
Current liabilities			
Trade and other payables	*9*	**2,144,299**	2,400,263
Contract liabilities		**126,999**	148,360
Loans and borrowings		**269,438**	308,982
Lease liabilities		**927**	921
Income tax payable		**26,063**	28,869
		2,567,726	2,887,395
Net current assets		**1,573,020**	1,610,083
Total assets less current liabilities		**2,729,647**	2,681,527

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
at 30 June 2025 – unaudited
(Expressed in Renminbi ("RMB"))

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current liabilities			
Deferred tax liabilities		**3,820**	3,383
Deferred income		**6,406**	6,580
Loans and borrowings		**36,980**	38,598
Lease liabilities		**57,228**	–
		104,434	48,561
NET ASSETS		**2,625,213**	2,632,966
CAPITAL AND RESERVES			
Share capital	*10*	**1,189,968**	1,189,968
Reserves		**1,417,210**	1,423,792
Total equity attributable to equity shareholders of the Company		**2,607,178**	2,613,760
Non-controlling interests		**18,035**	19,206
TOTAL EQUITY		**2,625,213**	2,632,966

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report of Technovator International Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 27 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included in the interim financial report.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 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.

Disaggregation of revenue

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from smart transportation business	**93,397**	93,261
Revenue from smart building and complex business	**246,297**	220,216
Revenue from smart energy business	**325,779**	199,095
	665,473	512,572

4 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 comprised a series of leading technologies such as regional energy planning, integrated utilization 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 utilization as well as optimization 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.

(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 amortization, and certain unallocated 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.

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 six months ended 30 June 2025 and 2024 are set out below:

	STB		SBB		SEB		Total	
For the six months ended	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	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	**6,782**	14,044	**49,575**	64,278	**75,032**	14,853	**131,389**	93,175
Over time	**86,615**	79,217	**196,722**	155,938	**250,747**	184,242	**534,084**	419,397
Revenue from external customers	**93,397**	93,261	**246,297**	220,216	**325,779**	199,095	**665,473**	512,572
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**–**	–
Reportable segment revenue	**93,397**	93,261	**246,297**	220,216	**325,779**	199,095	**665,473**	512,572
Reportable segment (loss)/profit	**(5,819)**	(14,156)	**687**	3,312	**66,927**	5,408	**61,795**	(5,436)
Interest income	**91**	440	**371**	232	**10,012**	10,815	**10,474**	11,487
Impairment loss on trade and other receivables and contract assets	**(2,139)**	(3,603)	**(5,073)**	(7,911)	**(1,763)**	(9,755)	**(8,975)**	(21,269)
Impairment reversals/(loss) on prepayments	**(342)**	333	**(837)**	786	**(1,399)**	(590)	**(2,578)**	529

(b) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Profit/(Loss)		
Reportable segment profit/(loss)	**61,795**	(5,436)
Depreciation and amortisation	**(60,898)**	(63,520)
Finance costs	**(5,029)**	(4,042)
Unallocated head office and corporate expenses	**(6,622)**	(6,291)
Consolidated loss before taxation	**(10,754)**	(79,289)

(c) Geographic information

As the Group does not have material operations outside the People's Republic of China ("**PRC**"), no geographic segment information is presented.

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
(a) Finance costs		
Interest on loans and borrowings	**4,119**	3,990
Interest on lease liabilities	**910**	52
	5,029	4,042

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
(b) Other items		
Research and development expenses	**43,401**	12,028
Penalty	**–**	4,350
Amortisation	**53,841**	48,593
Depreciation		
– owned property, plant and equipment	**6,080**	13,660
– right-of-use assets	**977**	1,267
Interest income	**(10,474)**	(11,487)

6 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current tax		
– provision for the year	**81**	43
– over-provision in respect of prior years	**(916)**	(4,989)
Deferred tax	**(2,256)**	(2,434)
	(3,091)	(7,380)

Notes:

(i) The Company is subject to Singapore corporate income tax at 17% for the six months ended 30 June 2025 and 2024. No provision for Singapore income tax was made because the Company sustained tax losses for the period.

(ii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25%.

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 incorporated in Hong Kong is subject to Hong Kong Profits Tax rate of 16.5% for the six months ended 30 June 2025 and 2024.

(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 (Xiamen) Co., Ltd. (formerly known as Tongfang Technovator Software (Beijing) Co., Ltd.) ("**Tongfang Software**") is subject to tax rate of 25% for the six months ended 30 June 2025. 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.

7 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 RMB6,492,000 (six months ended 30 June 2024: loss of RMB69,557,000) and the weighted average of 782,192,189 ordinary shares (2024: 782,192,189 shares) in issue during the interim period.

(b) Diluted loss per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2025 and 2024.

8 TRADE AND OTHER RECEIVABLES

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

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Current	**1,373,486**	1,548,031
Less than 1 month past due	**46,599**	2,127
More than 1 month but less than 3 months past due	**15,771**	1,179
More than 3 months but less than 12 months past due	**60,465**	44,960
More than 12 months past due	**40,581**	21,135
Trade debtors and bills receivable, net of allowance for doubtful debts	**1,536,902**	1,617,432
Other receivables	**58,270**	69,848
	1,595,172	1,687,280

The Group generally requires customers to settle progress billings and retentions receivable in accordance with contracted terms.

9 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
By date of invoice:		
Within 3 months	**1,181,693**	1,268,761
More than 3 months but within 6 months	**150,738**	220,719
More than 6 months but within 12 months	**251,015**	132,774
More than 12 months	**383,180**	553,692
Total creditors and bills payable	**1,966,626**	2,175,946
Other payables and accruals	**177,673**	224,317
	2,144,299	2,400,263

10 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	At 30 June 2025		At 31 December 2024	
	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
Share repurchased and cancelled	**–**	**–**	–	–
At 30 June/31 December	**782,192,189**	**1,189,968**	782,192,189	1,189,968

(b) Other reserves

Other reserves are resulted from transactions with equity holders in their capacity as equity holders. The balance comprises capital reserve movements arising from difference between fair value of consideration paid and the net assets acquired in a business combination under common control or the amount by which the non-controlling interests are adjusted to reflect the changes in its interests in the subsidiary.

(c) Dividends

The Company has not declared interim dividend attributable to the six months ended 30 June 2025 and 2024.

(d) Special reserves

According to relevant PRC rules and regulations, the Group is required to transfer an amount to specific reserve for the safety production fund based on the contract amount. The amount of safety production fund utilised would be transferred from the specific reserve back to retained profits.

11. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

As at date of this announcement, the Group has no significant event after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

In 2025, driven by the dual opportunities of continuous promotion of the national "dual carbon" strategy and the accelerated development of smart city construction, the demand in the target markets was pushed higher by investments. During the period, the Group recorded revenue of approximately RMB665.5 million, representing an increase of 29.8% as compared to that of the corresponding period last year. This significant increase was mainly attributable to the significant progress in the implementation of a number of projects for the smart energy business. As these projects had higher gross profit margin which in turn drove the increase in the Group's overall gross profit, the Group recorded the loss of approximately RMB7.7 million for the first half of the year, representing a significant year-on-year decrease. The Group will continue to put its focus on technological innovation to create competitive advantages in the keen market competition, and consolidate its leading position in the industry.

BUSINESS REVIEW

Smart Transportation Business

With regard to our smart transportation business, we always adhere to technology-driven innovation and keep making contribution to the construction of urban smart transportation. During the period, the Group continued to make breakthroughs in key regional markets and won the bidding of a number of landmark projects in succession, further consolidating its leading position in the field of smart rail transit.

The Group continued to demonstrate its strong position in the rail transit market in Changchun by securing the contract for the integrated supervision and control system project for the first phase of Airport Line of Changchun Urban Rail Transit (長春市城市軌道交通空港線). This line will have 8 stations, meeting the transport demand of the passengers going to and leaving from Changchun Longjia International Airport and the residents along the route, significantly enhancing regional transportation convenience. Leveraging its industry experience accumulated in years and technological advantages, the Group's integrated supervision and control system solutions are built on the core values of "safety, reliability, intelligence, and efficiency". The Group maintains rigorous quality control throughout the entire process from solution design to project implementation, consistently earning high recognition from the clients.

During the period, the Group deeply participated in the rail transit development in Chongqing by successfully signing a contract for the integrated supervision and control system project for the post-construction work of Chongqing Rail Transit Line 27 (重慶軌道交通27號線). Relying on the Group's self-developed Kunlun digital platform, this project established a "hub-station" two-tier smart management and control system. It integrated innovative functional modules such as operation cockpits, smart operation, and intelligent passenger services to facilitate the comprehensive smart transformation of Chongqing Metro. This initiative has significantly improved the operational efficiency and passenger experience, setting a new benchmark for smart metro construction in Chongqing.

The Group continued to enhance its presence in Wuhan rail transit market by securing contracts for the integrated supervision and control system project for the first phase of Xingang Line (新港線) and the western extension of Xingang Line of Wuhan Rail Transit (武漢市軌道交通). As a crucial integral part of Wuhan rail transit network, the completion of the Xingang Line will greatly enhance the city's comprehensive transportation efficiency. This project will deeply integrate the network information cloud platform, utilize innovative applications such as energy-saving technology and fiber-optic sensing to create a green and smart rail transit demonstration project, and set a benchmark for regional green and smart rail transit development.

Smart Building and Complex Business

With regard to the smart building and complex business, the Group kept achieving breakthroughs in digital cultural tourism, smart city and financial technology, and persistently propelling forward technological innovation to deliver high-quality digital transformation solutions across industries.

During the period, the Group successfully secured the digital construction project for NOUSLAND Hotel (灣里•諾嵐酒店), the flagship hotel of the high-end resort brand under Beijing Tourism Group. This project marked a major milestone of the Group in the field of integrated digital solutions for high-end hotels. By installing a dedicated room control system, an intelligent security management system and other digital infrastructure, the project created a hotel service ecosystem featuring intelligent analysis, data-driven operation, and interconnectivity of all things to support the digital management and lean operation for the hotel, and redefined luxury travel experience through technology, setting a new model for intelligent upgrades in premium resort hotels.

The Dayun Smart Park Intelligent Project (大運智慧公園智能化工程), a contracted project of the Group, is the initiative of the Shenzhen government to construct a benchmark park with international standard. The park integrates multiple functions including ecological demonstration, smart experience, cultural exhibition, and leisure and entertainment. Adhering to the "Intelligence + Eco (智慧+生態)" development philosophy, the Group established four major intelligent system frameworks: the smart management hub, immersive experience spaces, smart service network, and intelligent infrastructure. By leveraging smart and information technologies, the project would enhance the management efficiency, improves visitors' interaction experience, and serves as a model for Shenzhen's smart city construction. This project would play a pivotal role in promoting the integration of industry and city in Shenzhen's eastern district and elevating urban quality.

During the period, the Group won the bidding of Gui'an Data Center project of Bank of Communications. By configuring, among others, the DCIM and a smart park operation and maintenance management platform, an energy consumption management and carbon emission monitoring system, and an AI management system, the project would assist Bank of Communications in building a financial security network with a "multi-site and multi-center structure (多地多中心架構)" and effectively drive the high-quality development of the regional green computing power industry and financial data industry.

Smart Energy Business

The Group continued to strengthen its strategic footprint in contractual energy management in the smart energy business and its business with CNNC. Through technological innovation and business model upgrades, the Group successfully implemented multiple benchmark EMC projects, fully demonstrating its leading pace in the fields of energy digitalisation and low-carbon transformation.

During the period, the Group secured a comprehensive energy efficiency improvement project for Tianhe Thermal Power Plant (天河熱電廠) and its heating supply area, which was another important project following the successful collaboration with the owners at the South Thermal Power Plant (南熱電廠). This cooperation further strengthened the strategic partnership between both parties in the field of thermoelectric synergy. This project fully verified the technology application of lowering the temperature of return water of the heating network to facilitate the waste heat recovery of the exhaust steam of the power plant, which not only brought sound economic benefits to the enterprise, but also set an outstanding model for the clean transformation of central heating in large and medium-sized cities with important demonstration significance and promotional value.

Leveraging on its core technological advantages, the Group continued to strength the strategic cooperation in the smart energy business with CNNC, focusing on strengthening its presence in non-nuclear clean energy management in the field of nuclear energy, and the business of energy efficiency improvement in nuclear power plants. The newly contracted R&D project for the utilisation of the roots blower vacuum technology for the steam condensers of the Fuqing Nuclear Power (福清核電) would reduce the energy consumption of the vacuum system of the steam condensers, improve the economy of unit operation, and reduce the consumption of electric power in the plant through optimised design. This was the third in-depth cooperation with Fuqing Nuclear Power after the successful implementation of the two projects of intelligent platform for electric power consumption and water ecosystem in the plant, which fully reflected the Group's technological accumulation and continuous innovation capability in the field of nuclear power energy conservation, and built a solid foundation for the subsequent expansion in cooperation in the field of nuclear power. Meanwhile, the Xudabao Nuclear Power Plant Environment Monitoring System Project (徐大堡核電廠環境監測系統項目) undertaken by the Group would provide high-quality equipment and services covering heating and ventilation, communication and automation for CNNC Liaoning Nuclear Power Plant (中核遼寧核電), and make contribution to the safe, stable and energy-saving operation of Xudabao Nuclear Power Plant.

OUTLOOK

Technovator will focus on the implementation of its dual-driven strategy of "digital intelligence + green and low-carbon" and, rooted in the construction of new smart cities, build up its dual core business of energy utilisation and technology services. Through continuously strengthening the overall synergy with CNNC and the integration of industry, university and research with Tsinghua University, Technovator will increase its investment in scientific and technological innovation, targeting to make breakthrough in key core technologies, systematically build up digital support systems such as the Internet of Things, big data and AI applications, create an innovative technology matrix centered on "energy saving and carbon reduction + new energy utilisation", and accelerate the cultivation of new quality productivity, so as to inject new momentum into the high quality urban development.

FINANCIAL REVIEW

Revenue

In 1H2025, driven by the continuous introduction of favorable policies and capital investment, demand in the target markets demonstrated a development trend featuring in-depth integration of "greenisation" and "intelligentisation", opening up new room for the industry's growth. In the first half of the year, the Group recorded net revenue of RMB665.5 million, representing a year-on-year increase of 29.8%. The Group continued to reinforce its business expansion strategy with a focus on improving project conversion efficiency, optimising resource allocation, strengthening process control in order to ensure the successful implementation of its projects. Meanwhile, it accelerated the implementation progress of newly signed projects, laying a solid foundation for the sustained and stable development of business.

Revenue by business segments

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

	Six months ended 30 June				
	2025		2024		
	Revenue ***(RMB'000)***	**% of revenue**	Revenue *(RMB'000)*	% of revenue	Comparison
Smart transportation	**93,397**	**14%**	93,261	18%	0.1%
Smart building and complex	**246,297**	**37%**	220,216	43%	11.8%
Smart energy	**325,779**	**49%**	199,095	39%	63.6%
Total	**665,473**	**100%**	512,572	100%	29.8%

Smart transportation

In 1H2025, the smart transportation business recorded revenue of approximately RMB93.4 million, remaining largely flat compared to approximately RMB93.3 million for the corresponding period last year. In the first half of the year, the Group maintained steady development momentum in the smart transportation business. Leveraging its industry-leading technological capabilities and extensive experience in project implementation, the Group won the bid of and signed the contracts for several major projects, demonstrating its success in project expansion. In the second half of the year, the Group will accelerate the implementation progress of newly signed projects in a bid to inject sustained growth momentum into the performance of this business. During the period, the Group made certain progress of and recorded settlement income from major projects such as 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號線一期、5號線一期、2號線東延線工程綜合監控系統), the first phase of Ningbo Rail Transit Line 6 (寧波市軌道交通6號線一期) and 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).

Smart building and complex

The smart building and complex business recorded revenue of approximately RMB246.3 million, representing a year-on-year increase of 11.8% from RMB220.2 million in 1H2024. Against the backdrop of the acceleration of the low-carbon transformation of the construction industry and the continuous refining of China's national "dual-carbon" policy, investment demand in target markets increased, driving up the increase in revenue of this business. During the period, the Group's newly signed a digital construction project in relation to NOUSLAND Hotel (灣里•諾嵐酒店), a high-end resort brand under Beijing Tourism Group, a proof that the Group's professional capabilities in hotel intelligentisation have gained high market recognition. The project has progressed smoothly in implementation and has already contributed revenue to us. Furthermore, our projects in relation to weak current engineering for the construction of Keppel Land Season City in the Start-up Area of Sino-Singapore Tianjin Eco-City (中新天津生態城起步區吉寶季景新城) and the Sichuan Celebrity Museum (四川名人館), and the cloud computing application and big data for Jiaxufumei (嘉旭福美) both had made progress during the period, providing strong support for the performance of this business.

Smart energy

In 1H2025, the smart energy business recorded revenue of approximately RMB325.8 million, representing an increase of 63.6% from approximately RMB199.1 million in 1H2024. The significant revenue growth in this business was primarily attributable to the Group's strategic arrangements and efficient project implementation in the smart energy business. Relying on its industry-leading technological solutions and extensive experience in project management, the Group continued to strengthen its market competitiveness in this field and successfully established a number of benchmark projects with demonstration effects. During the period, the Group focused on advancing the implementation of projects such as the Tianfu Energy Tianhe Thermal Power Plant Heating Project (天富能源天河熱電廠供熱項目), 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), and the Smart Heating Network Energy-Saving Renovation Project (智慧熱網節能改造項目) of Jiaocheng County Urban Heating Co., Ltd.* (交城縣城鎮熱力有限公司), making significant contributions to revenue for the period.

Cost of Sales

The Group's cost of sales increased by 19.3% from approximately RMB456.5 million for 1H2024 to approximately RMB544.4 million for 1H2025. The increase in revenue led to a year-on-year increase in cost of sales.

Gross Profit

Gross profit increased by 115.9% from approximately RMB56.1 million for 1H2024 to approximately RMB121.1 million for 1H2025. Gross profit margin for the period was approximately 18.2%, representing an increase of 7.3 percentage points as compared to that of the corresponding period last year. The significant increase in gross margin for the period was primarily attributable to the higher gross profit margin of contractual energy management projects, which improved our overall gross margin.

Other Revenue

The Group recorded other revenue of approximately RMB10.9 million for 1H2025, representing a decrease of approximately 17.4% as compared to approximately RMB13.2 million for 1H2024, mainly attributable to the decrease in government grants as compared to the corresponding period last year.

Selling and Distribution Costs

Selling and distribution costs of the Group for 1H2025 were approximately RMB28.0 million, representing a year-on-year decrease of 37.4% as compared to approximately RMB44.7 million for 1H2024. During the period, selling and distribution costs accounted for 4.2% of revenue, representing a decrease of 4.5 percentage points as compared to that of the corresponding period last year. The Group effectively reduced costs of sales personnel through workforce optimisation initiatives, leading to a year-on-year decrease in selling costs.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 52.5% from approximately RMB75.4 million for 1H2024 to approximately RMB115.1 million for 1H2025. As the Group strived to keep its leading position in technology innovation and actively expanded the scale of its R&D investments, our R&D expenses and amortisation of intangible assets increased, resulting in a significant increase in administrative and other operating expenses.

Impairment Loss on Trade and Other Receivables and Contract Assets

In 1H2025, the Group made provision for impairment loss on trade and other receivables and contract assets of approximately RMB9.0 million, representing a year-on-year decrease of approximately 57.7% from approximately RMB21.3 million for 1H2024. While payments from some customers were delayed to a certain extent, leading to a slowdown in the collection cycle of payments for the projects, as the Group strived to accelerate the collection of receivables, particularly long-term receivables, impairment loss on trade and other receivables and contract assets decreased as compared to the corresponding period last year.

Finance Costs

Finance costs of the Group for 1H2025 were approximately RMB5.0 million, representing a year-on-year increase of 25.0% as compared to approximately RMB4.0 million for 1H2024. In order to optimise liquidity and meet business growth needs, the Group has had its financing facility appropriately increased to ensure its smooth daily operations and market expansion.

Income Tax

Income tax increased from approximately RMB-7.4 million in 1H2024 to approximately RMB-3.1 million for the period, mainly attributable to the decrease in loss in the first half of the year.

Loss for the Period

In 1H2025, the Group recorded loss of approximately RMB7.7 million, as compared to the loss of approximately RMB71.9 million for 1H2024. Net profit margin increased to approximately -1.2% for the period from -14.0% for the corresponding period last year. The decrease in loss for the period was attributable to the increase in revenue and gross profit.

The basic and diluted loss per share from continuing operations of the Group amounted to RMB0.0083 (1H2024: RMB0.0889).

Working Capital and Financial Resources

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

	As at 30 June 2025 ***(RMB'000)***	As at 31 December 2024 *(RMB'000)*	As at 30 June 2024 *(RMB'000)*
Inventories	**1,365,083**	1,363,757	1,355,869
Trade and other receivables *(Note 1)*	**1,736,219**	1,801,587	1,871,205
Trade and other payables	**2,144,299**	2,400,263	1,977,618
Average inventory turnover days	**374**	264	470
Average trade receivables turnover days *(Note 2)*	**457**	329	570
Average trade payables turnover days *(Note 2)*	**672**	437	735

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

As of 30 June 2025, the Group's inventories amounted to approximately RMB1,365.1 million, largely remained flat as compared to approximately RMB1,363.8 million as at 31 December 2024. The Group strengthened project lifecycle control and accelerated settlement progress, leading to its inventory turnover days decreased to approximately 374 days as compared to the corresponding period last year.

The Group's trade and other receivables amounted to approximately RMB1,736.2 million, representing a decrease of 3.6% as compared to approximately RMB1,801.6 million as at 31 December 2024. The average trade receivables turnover days decreased from 570 days for the corresponding period last year to 457 days. The decrease in turnover days was attributable to the Group's vigorous efforts in collecting long-term receivables.

The Group's trade and other payables decreased by 10.7% from approximately RMB2,400.3 million as at 31 December 2024 to approximately RMB2,144.3 million as at 30 June 2025. The Group's average trade payables turnover days decreased from approximately 735 days in 1H2024 to approximately 672 days in 1H2025. The decrease in the average trade payables turnover days was attributable to the Group's efforts in enhancing the efficiency of capital turnover by optimising payment processes and improving the supplier management system.

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group financed its operations primarily through cash flow from operations and cash balance on hand. As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB101.8 million, which accounted for 3.9% of the Group's net assets (31 December 2024: cash and cash equivalents of approximately RMB344.7 million).

As at 30 June 2025, the Group's indebtedness consisted of short-term bank loans of approximately RMB265.3 million with an average interest rate of 3.2% per annum, long-term bank loans of approximately RMB7.5 million with an interest rate of 3.8% per annum and secured borrowings of approximately RMB33.6 million with an interest rate of 4.7% per annum.

As at 30 June 2025, 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 30 June 2025, the net cash of the Group was approximately RMB-204.7 million (31 December 2024: net cash of approximately RMB-2.9 million). Gearing ratio, defined as loans and borrowings divided by total assets, was approximately 5.8% (31 December 2024: approximately 6.2%).

PLEDGE OF ASSETS

As at 30 June 2025, the Group did not have any pledge of assets.

EXCHANGE RATE FLUCTUATION RISK

The Group is exposed to currency risk primarily from sales and purchases which give rise to receivables, payables and cash balances 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, given the Group's operations are mainly conducted in the PRC and the majority of its sales and purchases are transacted in RMB, the Directors are of the view that as the foreign exchange risk did not have any material impact on the Group's financial performance during 1H2025, the Group did not entered into any hedging arrangement for its foreign exchange risk. The Group will closely monitor 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 30 June 2025, 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 30 June 2025, the Group had a total of 662 employees compared to 626 employees as at 30 June 2024. Total staff costs increased from approximately RMB80.0 million for 1H2024 to approximately RMB88.0 million for 1H2025.

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 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 launched, 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 six months ended 30 June 2025, the Group had no material acquisition or disposal of subsidiaries or associates.

SIGNIFICANT INVESTMENTS

For the six months ended 30 June 2025, the Group had no significant investment.

CORPORATE GOVERNANCE CODE

During 1H2025, except that the chairman of the board and the chairmen or other members of the audit committee, the nomination committee and the remuneration committee could not attend the annual general meeting held on 17 June 2025 due to their other business engagements, 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**").

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 1H2025 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 1H2025.

ISSUE OF SECURITIES

During 1H2025, the Company did not conduct any fund raising activities through issue of equity securities (including sale of treasury shares).

As at 30 June 2025, the number of treasury shares held by the Company is nil.

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

During 1H2025, 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

The Board does not recommend any interim dividend for 1H2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim 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 interim report for the six months ended 30 June 2025 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.

By Order of the Board
Technovator International Limited
Li Chengfu
Chairman

Hong Kong, 27 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Zhao Xiaobo and Mr. Qin Bing; the non-executive directors of the Company are Mr. Li Chengfu, Mr. Zeng Xuejie and Ms. Zhang Yanhua; and the independent non-executive directors of the Company are Mr. Chia Yew Boon, Dr. Li Xuejin and Ms. Lu Yao.