THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Technovator International Limited,** you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

(incorporated in Singapore with limited liability)

(Stock Code: 1206)

(1) NEW 2025 AGREEMENTS IN RELATION TO CERTAIN CONTINUING CONNECTED TRANSACTIONS AND (2) NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 6 to 47 of this circular. A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on page 48 of this circular. A letter from Somerley Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Shareholders is set out on pages 49 to 86 of this circular.

A notice convening the 2026 First EGM to be held at Level 17, Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Hong Kong on Wednesday, 28 January 2026 at 2:00 p.m. is set out on pages 91 to 93 of this circular. A form of proxy for use by the Shareholders at the 2026 First EGM is enclosed herein.

Whether or not you are able to attend the 2026 First EGM, you are requested to complete the accompanying form of proxy for use at the 2026 First EGM in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the 2026 First EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2026 First EGM or any adjourned meeting thereof should you so wish.

* *For identification purpose only*

12 January 2026

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In this circular, unless the context requires otherwise, the following expressions have the following meanings:

"2017 Agreements"	collectively, the purchase agreement, sales agreement and master agreement entered into between Technovator Beijing and THTF on 1 November 2017 and the business arrangements agreement entered into between Technovator Beijing, THTF and Tongfang Energy Saving on 1 November 2017
"2019 Agreements"	collectively, the purchase agreement, sales agreement and master agreement entered into between Technovator Beijing and THTF on 24 October 2019 and the business arrangements agreement entered into between Technovator Beijing, THTF and Tongfang Energy Saving on 24 October 2019
"2022 Agreements"	collectively, the 2022 Purchase Agreement, the 2022 Sales Agreement, the 2022 Master Agreement and the 2022 Business Arrangements Agreement
"2022 Announcement and Circular"	the announcement of the Company dated 27 December 2022 and the circular of the Company dated 31 January 2023 in relation to, among others, the continuing connected transactions under the 2022 Agreements and the related annual caps
"2022 Business Arrangements Agreement"	the business arrangements agreement dated 27 December 2022 entered into between Technovator Beijing, Tongfang Energy Saving and THTF
"2022 Master Agreement"	the master agreement dated 27 December 2022 entered into between Technovator Beijing and THTF
"2022 Purchase Agreement"	the purchase agreement dated 27 December 2022 entered into between Technovator Beijing and THTF
"2022 Sales Agreement"	the sales agreement dated 27 December 2022 entered into between Technovator Beijing and THTF
"2025 Agreements"	collectively, the 2025 Purchase Agreement, the 2025 Sales Agreement, the 2025 Master Agreement and the 2025 Business Arrangements Agreement
"2025 Business Arrangements Agreement"	the business arrangements agreement dated 4 December 2025 entered into between Technovator Beijing, Tongfang Energy Saving and THTF

"2025 Master Agreement"	the master agreement dated 4 December 2025 entered into between Technovator Beijing and THTF
"2025 Purchase Agreement"	the purchase agreement dated 4 December 2025 entered into between Technovator Beijing and THTF
"2025 Sales Agreement"	the sales agreement dated 4 December 2025 entered into between Technovator Beijing and THTF
"2026 First EGM"	the 2026 first extraordinary general meeting of the Company to be convened for the purpose of, among other matters, considering and, if appropriate, approving the 2025 Agreements, the transactions contemplated under the agreements and their respective Annual Cap amounts
"Affiliate"	means any individual, partnership, corporation, trust or other entity that directly or indirectly controls, or is controlled by, or is under common control with, such individual, partnership, corporation, trust or other entity, where control means the direct or indirect ownership of 10% or more of the outstanding shares or other ownership interests having ordinary voting power to elect directors or the equivalent
"Annual Caps"	proposed annual caps for the continuing connected transactions contemplated under the 2025 Agreements
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business and Assets Purchase Agreements"	the acquisition agreement entered into by Technovator Beijing as buyer and THTF as seller on 28 July 2015 in respect of the acquisition of, among others, the Intelligent Rail Transit Business, the Intelligent Building Business and certain assets related to these businesses, and the acquisition agreement entered into by Tongfang Energy Saving as buyer and THTF as seller on 28 July 2015 in respect of the acquisition of, among others, the Intelligent Urban Heating Network Business and certain related assets
"Company"	Technovator International Limited, a limited liability company incorporated in Singapore on 25 May 2005 and the issued securities of which are listed on the Stock Exchange

"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rule
"Director(s)"	the director(s) of the Company
"Existing Trademark License Agreements"	four trademark license agreements all dated 28 May 2010 entered into between Technovator Beijing and Tongfang, as amended on 4 August 2011, the details of which are set out in the section headed "Continuing Connected Transactions – Exempted Continuing Connected Transactions – 1. License of trademarks by Tongfang to Technovator Beijing" in the prospectus of the Company dated 17 October 2011
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee of the Board comprising all of the independent non-executive Directors, namely Mr. Chia Yew Boon, Dr. Li Xuejin and Ms. Lu Yao, to advise the Independent Shareholders in respect of the 2025 Agreements
"Independent Financial Adviser"	Somerley Capital Limited, a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Agreements
"Independent Shareholders"	has the meaning ascribed thereto under Chapter 13 of the Listing Rules
"Independent Third Party(ies)"	third party/ies and their ultimate beneficial owner(s) which is/are independent of the Company and their respective connected persons
"Intelligent Building Business"	business which provide building intelligence integrated solutions which center around the Building Automation (BA) that has been developed and debugged by THTF with the energy saving algorithm

"Intelligent Rail Transit Business"	business which provide intelligence integrated solutions for the main electro-mechanical systems such as Integrated Supervision and Control System (ISCS), Platform Screen Doors (PSD) and Building Automation System (BAS)
"Intelligent Rail Transit, Building and Urban Heating Network Businesses"	the Intelligent Rail Transit Business, the Intelligent Building Business and the Intelligent Urban Heating Network Business acquired from THTF under the Business and Assets Purchase Agreement
"Intelligent Urban Heating Network Business"	business which provide integrated solutions for heating plant and network including Supervisory Control And Data Acquisition (SCADA)
"Latest Practicable Date"	7 January 2026, being the latest practicable date for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Nominee Projects"	the contracts or projects entered into between THTF and third parties in relation to the Intelligent Rail Transit, Building and Urban Heating Network Businesses acquired under the Business and Assets Purchase Agreements and new contracts or projects that have been entered into by THTF for the Intelligent Rail Transit, Building and Urban Heating Network Businesses on or after the completion date of the acquisitions on 31 October 2015 under the Business and Assets Purchase Agreements that THTF cannot directly transfer the relevant contracts' legal rights and obligations to the Group
"PRC"	People's Republic of China which, for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
"Previous Business Arrangements Agreements"	the business arrangements agreements dated 1 November 2017, 24 October 2019 and 27 December 2022 entered into between Technovator Beijing, Tongfang Energy Saving and THTF
"Resuccess"	Resuccess Investments Limited, an investment holding company incorporated in the British Virgin Islands on 30 March 2004 and a wholly-owned subsidiary of THTF

"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules
"Supplemental Agreement"	the supplemental agreement to the 2025 Business Arrangements Agreement dated 8 January 2026 entered into between Technovator Beijing, Tongfang Energy Saving and THTF
"Technovator Beijing"	同方泰德國際科技(北京)有限公司 (Tongfang Technovator International (Beijing) Co., Ltd*), a wholly foreign-owned enterprise established in the PRC on 7 August 2006 and a wholly-owned subsidiary of the Company
"THTF"	同方股份有限公司 (Tsinghua Tongfang Co., Ltd*), formerly known as 清華同方股份有限公司 (Tsinghua Tongfang Company Limited*), a joint stock limited company incorporated in the PRC, whose shares are listed and traded on the Shanghai Stock Exchange (上海證券交易所)
"Tongfang Energy Saving"	同方節能工程技術有限公司 (Tongfang Energy Saving Engineering Technology Co., Ltd.*), a wholly foreign-owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Tongfang Group"	THTF, its subsidiaries and their respective associates and Affiliates, from time to time, (excluding the Group)
"%"	per cent.

* *for identification purpose only*

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

(incorporated in Singapore with limited liability)
(Stock Code: 1206)

Executive Directors:
Mr. ZHAO Xiaobo *(Chief Executive Officer and Authorised Representative)*
Mr. QIN Bing

Non-executive Directors:
Mr. LI Chengfu
(Chairman and Authorised Representative)
Mr. ZENG Xuejie
Ms. ZHANG Yanhua

Independent non-executive Directors:
Mr. CHIA Yew Boon
Mr. LI Xuejin
Ms. LU Yao

Registered office:
66 Tannery Lane
#04-10/A
Sindo Industrial Building
Singapore 347805

Head office and principal place of business in Singapore:
66 Tannery Lane
#04-10/10A
Sindo Industrial Building
Singapore 347805

Principal place of business in Hong Kong:
Level 17
Silvercord Tower 2
30 Canton Road
Tsim Sha Tsui, Hong Kong

12 January 2026

To the Shareholders

Dear Sir or Madam,

(1) NEW 2025 AGREEMENTS IN RELATION TO CERTAIN CONTINUING CONNECTED TRANSACTIONS AND (2) NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 4 December 2025 and 8 January 2026 in relation to the 2025 Agreements and the transactions contemplated thereunder.

* *For identification purpose only*

The purpose of this circular is to provide you with (i) further information relating to the 2025 Agreements; (ii) the letter from the Independent Board Committee to the Independent Shareholders in respect of the 2025 Agreements; (iii) the letter from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Agreements; and (iv) the notice convening the 2026 First EGM for the Shareholders to approve each of the transactions contemplated under the 2025 Agreements, and their respective proposed Annual Cap amounts.

BACKGROUND

Reference is made to the 2022 Announcement and Circular in relation to, among others, the continuing connected transactions contemplated under the 2022 Agreements and the related annual caps.

The Group's acquisition of the Intelligent Rail Transit, Building and Urban Heating Network Businesses pursuant to the Business and Assets Purchase Agreements was completed in October 2015. To facilitate the successful transfer of the Intelligent Rail Transit, Building and Urban Heating Network Businesses from THTF and the future development of these businesses, and in order to seamlessly integrate these businesses into the Group, the Group actively optimized its structure and reorganized the resources of its business to fully tap into the business synergy of the acquired businesses and the businesses of the Group at the time. With the completion of the optimization and reorganization of the businesses of the Group in 2017, the relevant parties entered into the Previous Business Arrangements Agreements pursuant to which:

(i). For the Nominee Projects which THTF continues to use its name for entering into such contracts and/or projects of the Intelligent Rail Transit, Building and Urban Heating Network Businesses that the legal rights and obligations of which cannot be directly transferred to the Group, THTF will assign, sub-contract, delegate or in any other way the parties may mutually agree so that the Group will assume these contracts. The Group will be responsible for performing the work required by the Nominee Projects and entitled to the income from the Nominee Projects. To the extent that the legal rights of THTF under the contracts in respect of any Nominee Projects have not been assigned to the Group, or for any other reasons THTF receives any payment from the customers of any Nominee Projects for any income generated, THTF is required to pay such amount to the Group no later than the balance sheet date of the month in which such amount is received without any additional compensation. THTF undertakes to assist the Group to take up the Nominee Projects without any additional compensation, including but not limited to providing any necessary information to the Group and handling the relevant project completion and settlement procedures as necessary;

(ii). If debtors of the Nominee Projects settle debts by paying THTF, THTF is required to pay such amount to the Group no later than the balance sheet date of the month in which such amount is received without any additional compensation;

(iii). THTF will act as the party to supply contracts to procure materials or services from third party suppliers for the Nominee Projects and will procure the necessary materials and services from the relevant third party suppliers for the Group upon instruction by the Group, and the Group is required to reimburse THTF for the amount paid by THTF;

(iv). THTF agrees that for the debts which are part of the liabilities of the Nominee Projects that have not been assumed by the Group as the consent from the creditors has not been obtained, THTF will continue to satisfy such debts. In the event that THTF is required to settle such debt with the relevant third party creditors, the Group is required to reimburse THTF for such amount no later than the balance sheet date of the month in which such amount is paid by THTF; and

(v). THTF will continue to support the Group on the continual development and expansion of the Intelligent Rail Transit, Building and Urban Heating Network Businesses. THTF agrees to provide support and cooperation for the Group for the Intelligent Rail Transit, Building and Urban Heating Network Businesses upon reasonable request from the Group including cooperating with the Group to develop new projects and business opportunities in respect of these businesses, being a party to the relevant agreements to facilitate the Group's conducting of these businesses if necessary, and providing the required information and assistance to complete the relevant projects, in manners similar to the support to be provided by THTF as set out in paragraphs (i) to (iv) above. Such new sales, procurement or project contracts if to be signed by THTF, all of the terms shall be negotiated by the Group.

By virtue of the arrangements as set out above, to the extent that any sales or project contract of the Intelligent Rail Transit, Building and Urban Heating Network Businesses entered into by THTF are not capable to be assigned to the Group, THTF will continue to act as the party to such agreements, and will transfer any payments it receives from the relevant customers of these businesses to the Group without any additional charges. As for new sales or project contracts that it is necessary or desirable for THTF to be a contracting party, THTF may cooperate with the Group in the performance of such contracts for the relevant customers, and transfer any payments it receives from the relevant customers of the Intelligent Rail Transit, Building and Urban Heating Network Businesses to the Group without any additional charges.

To accommodate the business needs of the Group as well as to enable the Group to conduct certain transactions of a miscellaneous nature with Tongfang Group, the relevant parties also entered into the 2017 Agreements which expired on 31 December 2019. The relevant parties entered into the 2019 Agreements and the 2022 Agreements to continue with the arrangements under the aforementioned agreements. A summary of the 2022 Agreements entered into on 27 December 2022 is set out below:

(i). Technovator Beijing and THTF entered into the 2022 Sales Agreement pursuant to which Technovator Beijing agreed to sell or procure such other parties agreed by THTF, including members of the Group, to sell building and municipal infrastructure construction related products, equipment and services, which include control security systems, and fire alarm systems to Tongfang Group for a term of three years from 1 January 2023 to 31 December 2025;

(ii). Technovator Beijing and THTF entered into the 2022 Purchase Agreement pursuant to which THTF agreed to sell or procure such other parties agreed by Technovator Beijing, including members of Tongfang Group, to sell wiring, lighting and other products, equipment and systems and services relating to the Group's business of energy management, energy saving and environmental protection to the Group for a term of three years from 1 January 2023 to 31 December 2025; and

(iii). Technovator Beijing and THTF entered into the 2022 Master Agreement pursuant to which the Group may provide to or receive from Tongfang Group miscellaneous products and services as may be required to satisfy the operational needs of the Group/Tongfang Group from time to time in the ordinary course of business of the Group in accordance with the terms and conditions of the 2022 Master Agreement for a term of three years from 1 January 2023 to 31 December 2025.

As all of the 2022 Agreements expired on 31 December 2025, the relevant parties to each of the 2022 Agreements have agreed to continue with the arrangements under the relevant 2022 Agreement upon its expiry for a period of three years under similar terms by entering into the relevant 2025 Agreement.

THE 2025 BUSINESS ARRANGEMENTS AGREEMENT

The 2025 Business Arrangements Agreement was entered into on 4 December 2025 between subsidiaries of the Company, namely, Technovator Beijing and Tongfang Energy Saving, and THTF in relation to the business arrangements for the Intelligent Rail Transit, Building and Urban Heating Network Businesses. On 8 January 2026, parties to the 2025 Business Arrangements Agreement signed the Supplemental Agreement in relation to further amendments to the terms of pricing principles under the 2025 Business Arrangements Agreement.

A summary of the principal terms of the 2025 Business Arrangements Agreement (as amended by the Supplemental Agreement) is set out below:

Date:	4 December 2025 (after trading hours)	
Parties:	(1)	Technovator Beijing, a wholly-owned subsidiary of the Company
	(2)	Tongfang Energy Saving, a wholly-owned subsidiary of the Company
	(3)	THTF, a controlling Shareholder
Subject matter:	(i)	For the Nominee Projects which THTF continues to use its name for entering into such contracts and/or projects of the Intelligent Rail Transit, Building and Urban Heating Network Businesses that the legal rights and obligations of which cannot be directly transferred to the Group, THTF will assign, sub-contract, delegate or in any other way the parties may mutually agree so that the Group will assume these contracts. The Group will be responsible for performing the work required by the Nominee Projects and will be entitled to the income from the Nominee Projects. To the extent that the legal rights of THTF under the contracts in respect of any Nominee Projects have not been assigned to the Group, or for any other reasons THTF receives any payment from the customers of any Nominee Projects for any income generated, THTF is required to pay such amount to the Group no later than the balance sheet date of the month in which such amount is received without any additional compensation. THTF undertakes to assist the Group to take up the Nominee Projects without any additional compensation, including but not limited to providing any necessary information to the Group and handling the relevant project completion and settlement procedures as necessary;

(ii) If debtors of the Nominee Projects settle debts by paying THTF, THTF is required to pay such amount to the Group no later than the balance sheet date of the month in which such amount is received without any additional compensation;

(iii) THTF will act as the party to supply contracts to procure materials or services from third party suppliers for the Nominee Projects and will procure the necessary materials and services from the relevant third party suppliers for the Group upon instruction by the Group, and the Group is required to reimburse THTF for the amount paid by THTF;

(iv) THTF agrees that for the debts which are part of the liabilities of the Nominee Projects that have not been assumed by the Group as the consent from the creditors has not been obtained, THTF will continue to satisfy such debts. In the event that THTF is required to settle such debt with the relevant third party creditors, the Group is required to reimburse THTF for such amount no later than the balance sheet date of the month in which such amount is paid by THTF; and

(v) THTF will continue to support the Group on the continual development and expansion of the Intelligent Rail Transit, Building and Urban Heating Network Businesses. THTF agrees to provide support and cooperation for the Group for the Intelligent Rail Transit, Building and Urban Heating Network Businesses upon reasonable request from the Group including cooperating with the Group to develop new projects and business opportunities in respect of these businesses, being a party to the relevant agreements to facilitate the Group's conducting of these businesses if necessary, and providing the required information and assistance to complete the relevant projects, in manners similar to the support to be provided by THTF as set out in paragraphs (i) to (iv) above. Such new sales, procurement or project contracts if to be signed by THTF, all of the terms shall be negotiated by the Group.

By virtue of the arrangements as set out above, to the extent that any Nominee Projects are not capable of being assigned to the Group, THTF will continue to act as the party to such agreements, and will transfer any payments it receives from the relevant customers of these businesses to the Group without any additional charges. As for new project or contracts that it is necessary or desirable for THTF to be a contracting party, THTF may cooperate with the Group in the performance of such contracts for the relevant customers, and transfer any payments it receives from the relevant customers of the Intelligent Rail Transit, Building and Urban Heating Network Businesses to the Group without any additional charges.

Pricing and payment:

THTF will transfer any payments it receives from the relevant projects to the Group without any additional charges, and the full amount received by THTF from third party customers will be transferred to the Group, no later than the balance sheet date of the month in which such amount is received.

THTF will also not be entitled to any additional fees or compensation for settling debts with third party creditors under the 2025 Business Arrangements Agreement, and the Group is required to reimburse THTF for the full amount of such payments no later than the balance sheet date of the month in which such amount is paid by THTF.

For new sales contracts which THTF intends to sign as a party in accordance with the requirements of the Group, the pricing of such contracts will be determined based on the price range agreed upon in the past with third-party customers for providing same or similar services and/or selling same or similar products in projects related to the subject businesses, or based on the price range agreed upon in at least two projects over the past 12 months for providing same or similar services and/or selling same or similar products.

For the supply contracts in relation to purchase of materials and/or procurement of services by THTF from third-party suppliers in accordance with the requirements of the Group, the pricing of such contracts will be determined based on the price range paid in at least two transactions over the past 12 months for purchasing same or similar materials and/or procuring same or similar services related to the subject business.

Terms: A term of three years from 1 January 2026 to 31 December 2028

Annual caps: Payments to be transferred by THTF to the Group:

For the year ending 31 December 2026 – RMB930 million

For the year ending 31 December 2027 – RMB960 million

For the year ending 31 December 2028 – RMB970 million

Payments to be transferred by the Group to THTF:

For the year ending 31 December 2026 – RMB850 million

For the year ending 31 December 2027 – RMB880 million

For the year ending 31 December 2028 – RMB880 million

The annual caps only cover (i) any amount paid by THTF to the Group arising from THTF's obligations under the 2025 Business Arrangements Agreement to pay such amount as set forth in Subject Matter (i), (ii) and (v) under "Subject matter" above; and (ii) any amount paid by the Group to THTF arising from the Group's obligations under the 2025 Business Arrangements Agreement to reimburse THTF for such amount as set forth in Subject Matter (iii), (iv) and (v) under "Subject matter" above.

Historical Transaction Amounts

For the years ended 31 December 2023 and 2024, payments transferred by THTF to the Group under the 2022 Business Arrangements Agreement amounted to approximately RMB681.42 million and RMB661.77 million, respectively. For the eleven months ended 30 November 2025, the payments transferred by THTF to the Group under the 2022 Business Arrangements Agreement amounted to approximately RMB531.76 million.

For the years ended 31 December 2023 and 2024, payments transferred by the Group to THTF under the 2022 Business Arrangements Agreement amounted to approximately RMB371.17 million and RMB513.69 million, respectively. For the eleven months ended 30 November 2025, the payments transferred by the Group to THTF under the 2022 Business Arrangements Agreement amounted to approximately RMB378.75 million.

Historical and Existing Annual Caps

The historical and existing annual caps for the 2022 Business Arrangements Agreement for the payments to be transferred by THTF to the Group amounted to RMB1,200 million, RMB1,260 million and RMB1,160 million for each of the years ending 31 December 2023, 2024 and 2025, respectively.

The historical and existing annual caps for the 2022 Business Arrangements Agreement for the payments to be transferred by the Group to THTF amounted to RMB980 million, RMB1,030 million and RMB950 million for each of the years ending 31 December 2023, 2024 and 2025, respectively.

Basis of the Annual Caps

In arriving at the annual caps for the years ending 31 December 2026, 2027 and 2028, the Company has taken into account the following:

(i) *Sales data:* Sales data of the Intelligent Rail Transit, Building and Urban Heating Network Businesses, including the contract price of the existing projects, contracts in negotiation and bidding of projects participated by the Intelligent Rail Transit, Building and Urban Heating Network Businesses, and estimated growth for each of the businesses (as further detailed in paragraph (vi) below);

(ii) *Business expansion of energy-saving products:* The Group is implementing a "Core Technology Productization" strategy to drive growth through standardized products and enhance independent profitability. Building on its smart city heating network business, the Group will expand industry software productization – leveraging its proprietary "Kunlun (昆侖)" digital platform and AI integration – and extend applications to sectors such as smart healthcare and smart campuses. At the same time, as a leading urban energy service provider, the Group will develop integrated energy solutions and promote high-end energy-saving equipment, including absorption heat pumps, to external markets. This strategy is expected to optimize the Group's revenue structure and reduce reliance on Tongfang;

(iii) *Historical pattern of payments of contract prices by the Intelligent Rail Transit, Building and Urban Heating Network Businesses' customers:* The amount of fees to be received by the Group from third party customers through THTF during each year is determined with reference to the historical pattern of payments of contract prices, including seasonality and proportions of payments in each year, and a proportion of the aggregate amount under the subsisting Nominee Projects and anticipated new projects is allocated to each year at a certain percentage, representing the estimated amount of payments received by the Group each year;

(iv) *Historical cost of sales of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:* The historical cost of sales of the Intelligent Rail Transit, Building and Urban Heating Network Businesses as a percentage of revenue received each year is used to approximate the amount of payments that the Group will pay to THTF to settle debts with third party creditors by reference to the amount of contract price it will receive for the given year;

(v) *Trends of the gross profit margin of each of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:* The cost of sales of the Intelligent Rail Transit, Building and Urban Heating Network Businesses as a percentage of revenue received each year (as mentioned in paragraph (iv) above) is determined based on the historical gross profit margins of the Intelligent Rail Transit, Building and Urban Heating Network Businesses and taking into account the prevailing trend of such gross profit margins. The projected cost of sales is used to estimate the amount of payables to be settled under the Nominee Projects by the Group; and

(vi) *Expected growth of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:* The assumed growth rate of the total contract price for each year is based on the historical and expected growth rates of the Intelligent Rail Transit, Building and Urban Heating Network Businesses, taking into account industry trends and macro-economic factors, coupled with the Group's targeted growth rate.

Reasons for and Benefits of the 2025 Business Arrangements Agreement

Since the completion of the acquisition of the Intelligent Rail Transit, Building and Urban Heating Network Businesses in October 2015, the Group has continued to establish and expand its presence in the market for the Intelligent Rail Transit, Building and Urban Heating Network Businesses. Nevertheless, some customers still wish to continue to deal with THTF due to their history of dealings with THTF. Besides, given the relevant qualifications, licenses and projects performance in the past are still unavoidable bidding requirements for the Intelligent Rail Transit, Building and Urban Heating Network Businesses, the Group can avoid loss of potential business opportunities with the assistance from THTF by way of the arrangements under the 2025 Business Arrangements Agreement, while continuing to improve its own qualifications and build up the Group's presence and name. The Directors believe the arrangements under the 2025 Business

Arrangements Agreement continue to be an integral part of the operations of the Intelligent Rail Transit, Building and Urban Heating Network Businesses.

The Company has continued to deploy different strategies when negotiating with existing and new customers in relation to projects in the Intelligent Rail Transit, Building and Urban Heating Network Businesses. For existing customers, the Company has been educating these customers to contract with the Group directly so as to reduce the transactions through THTF. As for the new customers, the Group believes it is important to first secure the contracts of these new customers in which THTF and the Group have no past business relationship with. The Group's strategy is to allow THTF to contract with these new customers first if such new customers prefer to contract with THTF since THTF has a long operating history in the industry and has built its reputation. In the future, the Group will continue to invest additional time to educate new customers to directly engage the Group whilst the Group continues to accumulate its operating experience, presence and name in the industry.

In terms of procurement of materials and services by the Group from suppliers through THTF, such procurements by THTF on behalf of the Group under the 2025 Business Arrangements Agreement are all raw materials, products, and services required for the Nominee Projects. According to the contract terms of such Nominee Projects, the purchaser of such materials and services must be the contracting party of the Nominee Projects, namely THTF. The Group cannot procure such items directly under its own name. As for the transfer from the Group to THTF, those transfers are to facilitate the settlement of the debts related to the Nominee Projects, which are for the payments to the suppliers for the procurement of raw materials, products and services by the Group for the Nominee Projects that THTF has procured for the Group in order for the Group to provide the services to the Nominee Projects. Furthermore, THTF is not entitled to any additional charge for these payments or procurement.

THTF is in name the legal debtor for the debts of the Nominee Projects, which have not been assumed by the Group. All the debts as at 30 June 2025 arise from the requests and needs of the Group in order to procure raw materials, products and services for the Nominee Projects and are the Group's costs of sales in order to generate the revenue. Therefore, if THTF has to settle any debts on behalf of the Group for the Nominee Projects, the Group has to reimburse THTF for any amount settled for these debts.

The Directors (other than the independent non-executive Directors, who will form their view after considering the advice of the Independent Financial Adviser) are of the view that the 2025 Business Arrangements Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board's Assessment on Pricing Mechanism

The Board is of the view that the pricing policies (including sales and procurement pricing) for the Nominee Projects are fair and reasonable and in the interests of the Company and all of its Shareholders as a whole, primarily based on the following factors:

(I) Pricing for the Nominee Projects is based on the results of the bidding process. The Board observes that all Nominee Projects are awarded through open or

invited bidding processes. The winning bid prices and key commercial terms were determined in a market environment with fair competition, reflecting the market pricing level of Independent Third Parties under comparable conditions, and are in line with normal commercial practices in the relevant industries.

(II) The Company substantively dominates the pricing of the Nominee Projects through a robust internal control system. After further assessment, the Board is of the view that the Company has established and continuously implements a comprehensive internal control system to ensure that the pricing of the Nominee Projects is in the interests of the Company and the Shareholders as a whole. Specifically, when THTF, acting as a contracting party, enters into new sales or procurement contracts (including the negotiation of contract prices): the Company's sales department, acting as the lead department, is responsible for determining the bidding terms for the Nominee Projects and negotiating the terms of sales contracts with third-party customers in accordance with the pricing terms set out in the 2025 Business Arrangements Agreement (as amended by the Supplemental Agreement); the Company's procurement department is responsible for preparing procurement contracts or negotiating with suppliers of the Nominee Projects therefor; all of the aforementioned sales and procurement terms are subject to cross-review by other business functional departments, including the finance department and operations department; upon the contract terms being finalised, the relevant sales and procurement contracts must be submitted to the general manager of the corresponding business segment for approval before instructing THTF to enter into relevant contracts in its name. In the above process, the relevant pricing terms are not formulated by THTF but are predominantly shaped by the Company. THTF merely signs relevant contracts as a nominal contracting party based on the Company's instruction and does not possess decision-making or veto rights over sales or procurement pricing. Please refer to "Internal Controls" in this letter for details of the internal control measures adopted by the Group.

(III) The Board is also aware that THTF does not charge any service fees or other compensation for sales, procurement or payment on behalf of the Company under the Nominee Projects, nor does it participate in profit sharing from the Nominee Projects. All economic benefits and associated risks arising from the Nominee Projects are borne by the Company. On this basis, the pricing mechanism for the Nominee Projects does not lead to any form of benefit transfer to THTF. Instead, it helps ensure that the project gross margins and operating results fully accrue to the Company while preserving market opportunities.

Based on the above assessment, the Board believes that the relevant sales and procurement prices of the Nominee Projects are substantively determined jointly by market competition and the Company's internal control mechanisms, possessing a solid market-oriented foundation and compliance assurance.

THE 2025 SALES AGREEMENT

The 2025 Sales Agreement was entered into on 4 December 2025 between Technovator Beijing and THTF to commence a new term for the transactions contemplated under the 2025 Sales Agreement of three years from 1 January 2026 to 31 December 2028.

A summary of the principal terms of the 2025 Sales Agreement is set out below:

Date:	4 December 2025 (after trading hours)
Parties:	(1) Technovator Beijing, a wholly-owned subsidiary of the Company (2) THTF, a controlling Shareholder
Subject matter:	Technovator Beijing agreed to sell or procure such other parties agreed by THTF, including members of the Group, to sell intelligent energy saving related products, equipment and services, which include control security systems, fire alarm systems and energy saving equipment, to the Tongfang Group for a term of three years from 1 January 2026 to 31 December 2028. The price at which the Group sells such products to Tongfang Group will be determined based on normal commercial terms after arm's length negotiation. For the sale of ready-made products or the provision of standardised services, the price for such products or services shall be determined based on the pricing terms as offered by the Group no less favorable than those given to Independent Third Parties. The Group shall regularly review such pricing policy. For the sale of self-produced products or services, the Group shall make reference to transactions of similar type, scale and nature with Independent Third Parties to ensure that the price and conditions as offered by the Group are not less favourable than those offered to Independent Third Parties.

Consideration and payment:

When negotiating the price, the Group will make reference to the following factors:

(i) the prevailing market rate determined based on:

(a) the price of similar products used in similar scale and nature of projects offered by the Group and accepted by Independent Third Party customers (the "**Comparable Sales Transactions**") during a period of 12 months prior to the relevant transaction with Tongfang Group (the "**12-Month Sales Period**") (if any), including but not limited to the most recent relevant transactions offered by the Group and accepted by Independent Third Party customers; and

(b) if there are no Comparable Sales Transactions within the 12-Month Sales Period, the price of similar products used in similar scale and nature of products offered by the Group and accepted by Independent Third Party customers any time prior to the 12-Month Sales Period, including but not limited to the most recent relevant transactions offered by the Group and accepted by Independent Third Party customers and taking into account the latest market and independent supplier information available to the Group at time of the relevant transaction with the Tongfang Group;

(ii) length of the contracts; and

(iii) the type, design and expected costs of the products.

The Group maintains a standardised price list applicable to all customers. The standardised prices of products are determined based on cost-plus pricing with a mark-up rate of usually not less than 20%, taking into account (i) for self-produced products, the production cost; or (ii) for procured products, the procurement cost, and are reviewed and adjusted by the product management department from time to time with reference to changes in the market prices of similar products offered by the Group's competitors. For ancillary services provided in connection with the products, the standardised service fee is set at a percentage, usually 12%, of the quoted product price. After due consideration of the above factors, the sales department will, based on the price as stated in the Group's standardised price list, determine the final quotation price and discount after considering additional factors such as the scale of the contract and the payment terms.

In any event, the price offered to Tongfang Group should be no less favourable to the Group than that offered by the Group to Independent Third Party customers for products of a similar type, scale and nature of projects and length of contracts.

The payment terms for the products will be set out in separate sales contracts, shall be on normal commercial terms, and determined with reference to prevailing market practices.

Depending on the product type, scale and length of contracts, the payment term may include a deposit and/or instalments which may be payable at the completion of different stages of the contract or after certain deliverables are available or after certain milestones are reached.

In any event, the payment terms should be no less favorable to the Group than those offered by the Group to Independent Third Party customers for products of a similar type, scale and length of contracts.

	As an active market participant, the Group will through market analysis, market research, feedback from customers and interactions with other market participants obtain sufficient market intelligence to enable them to ascertain the prevailing market rate and practices as well as the latest market and competitor information at any point in time. The Company will also continue to take steps to keep themselves abreast of market developments through maintaining a team of experienced sales and marketing personnel focusing on different regions and cities throughout the PRC.
Terms:	A term of three years from 1 January 2026 to 31 December 2028
Annual caps:	For the year ending 31 December 2026 – RMB310 million
	For the year ending 31 December 2027 – RMB310 million
	For the year ending 31 December 2028 – RMB320 million

Historical Transaction Amounts

For the years ended 31 December 2023 and 2024, the Group sold products and services under the 2022 Sales Agreement to Tongfang Group in the amount of approximately RMB217.37 million and RMB257.27 million, respectively. For the eleven months ended 30 November 2025, the Group sold products and services under the 2022 Sales Agreement to Tongfang Group in the amount of approximately RMB288.77 million.

Historical and Existing Annual Caps

The historical and existing annual caps under the 2022 Sales Agreement for the years ended 31 December 2023 and 2024 and the year ending 31 December 2025 amounted to RMB420 million, RMB460 million and RMB510 million, respectively.

Basis of the Annual Caps

In arriving at the annual caps for the years ending 31 December 2026, 2027 and 2028, the Company has taken into account, among other things, the following:

(i) *Historical transaction amount:* The historical sales amount that the Group sold to Tongfang Group under the previous sale agreements and the historical patterns, including seasonality and proportions of payment each year;

(ii) *Forecasted sales amount:* The forecasted sales amount based on discussions with Tongfang Group taking into account new contracts and projects in the pipeline, including the expected business growth of Tongfang Group for the years ending 31 December 2026, 2027 and 2028. The growth for the sales to Tongfang Group also takes into account the targeted growth rate of the Group;

(iii) *Trends of gross profit margin of products and services:* The expected gross profit margin of products and services of the Group based on historical patterns and the targeted gross profit margin of the Group. The expected gross profit margin is used to estimate the future prices of the products and services to be provided by the Group; and

(iv) *Expected growth of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:* The expected growth rate of the total contract price for each year is based on the historical and projected growth rates of the Intelligent Rail Transit, Building and Urban Heating Network Businesses, taking into account industry trends and macroeconomic factors, coupled with the Group's targeted growth rate.

Reasons for and Benefits of the 2025 Sales Agreement

The Directors believe that maintaining the sales of goods to Tongfang Group has a positive contribution to the operating revenue of the Group, and that Tongfang Group has proven to have a good track record in settling the trade payables to the Group in a timely manner. The Group has benefited from working with Tongfang Group in the past and Tongfang Group's businesses are important to the Group. Given the mutual beneficial relationship between Tongfang Group and the Group, the Directors (other than the independent non-executive Directors, who will form their view after considering the advice of the Independent Financial Adviser) are of the view that the 2025 Sales Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE 2025 PURCHASE AGREEMENT

The 2025 Purchase Agreement was entered into on 4 December 2025 between Technovator Beijing and THTF to commence a new term for the transactions contemplated under the 2025 Purchase Agreement of three years from 1 January 2026 to 31 December 2028.

A summary of the principal terms of the 2025 Purchase Agreement is set out below:

Date:	4 December 2025 (after trading hours)
Parties:	(1) Technovator Beijing, a wholly-owned subsidiary of the Company (2) THTF, a controlling Shareholder
Subject matter:	THTF agreed to sell or procure such other parties agreed by Technovator Beijing, including members of the Tongfang Group, to sell wiring, lighting and other products, equipment and systems and services relating to the Group's business of energy management, energy saving and environmental protection to the Group for a term of three years from 1 January 2026 to 31 December 2028. The price of such goods and services supplied by Tongfang Group to the Group will be determined based on normal and commercial terms after arm's length negotiations, with reference to the prevailing market price of similar goods and services at the time of a particular transaction, and in any event no less favourable to the Group than those offered by Independent Third Party suppliers to the Group. The Group shall make reference to not less than two transactions of similar type, scale and nature with Independent Third Parties to ensure that the price and conditions as offered by Tongfang Group to the Group are fair and reasonable and similar to those offered by Independent Third Parties.

The market rate of the goods and services is to be ascertained based on the prevailing market price of the goods and services determined based on:

(a) the price of similar raw materials used in similar scale and nature of projects offered by Independent Third Party suppliers and accepted by the Group (the "**Comparable Purchase Transactions**") during a period of 12 months prior to the relevant transaction with Tongfang Group (the "**12-Month Purchase Period**") (if any), including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers; and

(b) if there are no Comparable Purchase Transactions within the 12-Month Purchase Period, the price of similar products used in similar scale and nature of products offered by Independent Third Party suppliers and accepted by the Group any time prior to the 12-Month Purchase Period including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers, and taking into account the latest market and Independent Third Party supplier information available to the Group at the time of the relevant transaction with the Tongfang Group.

The payment terms for purchase of the goods and services will be set out in separate purchase contracts and shall be on normal commercial terms.

When determining the payment terms, the Group will make reference to prevailing market practices determined based on:

(a) the terms for similar scale and nature of projects offered by Independent Third Party suppliers and accepted by the Group during the 12-Month Purchase Period prior to the relevant transaction with Tongfang Group (if any), including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers; and

(b) if there are no Comparable Purchase Transactions within the 12-Month Purchase Period, the terms of similar products used in similar scale and nature of products offered by Independent Third Party suppliers and accepted by the Group any time prior to the 12-Month Purchase Period, including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers, and taking into account the latest market and Independent Third Party supplier information available to the Group at the time of the relevant transaction with the Tongfang Group.

In any event, the payment terms should be no less favorable to the Group than those offered by Independent Third Party suppliers to the Group.

As an active market participant, the Group will through market analysis, market research, quotations obtained from other Independent Third Party suppliers and interactions with other market participants obtain sufficient market intelligence to enable them to ascertain the prevailing market rate and practices as well as the latest market and Independent Third Party supplier information at any point in time. The Company will also continue to take steps to keep themselves abreast of market developments through maintaining a team of experienced procurement personnel focusing on different regions and cities throughout the PRC.

Terms:	A term of three years from 1 January 2026 to 31 December 2028
Annual Caps:	For the year ending 31 December 2026 – RMB190 million
	For the year ending 31 December 2027 – RMB190 million
	For the year ending 31 December 2028 – RMB190 million

Historical Transaction Amounts

For the years ended 31 December 2023 and 2024, the Group procured products and services under the 2022 Purchase Agreement from Tongfang Group in the amount of approximately RMB120.51 million and RMB104.37 million, respectively. For the eleven months ended 30 November 2025, the Group procured products and services under the 2022 Purchase Agreement from Tongfang Group in the amount of approximately RMB80.56 million.

Historical and Existing Annual Caps

The historical and existing annual caps under the 2022 Purchase Agreement for the years ended 31 December 2023 and 2024 and the year ending 31 December 2025 amounted to RMB220 million, RMB250 million and RMB270 million, respectively.

Basis of the Annual Caps

In arriving at the annual caps for the years ending 31 December 2026, 2027 and 2028, the Company has taken into account, among other things, the following:

(i) *Historical transaction amount:* The historical procurement amount that the Group procured from Tongfang Group under previous purchase agreements, and the historical patterns, including seasonality and proportions of payment each year; and

(ii) *Forecasted procurement amount:* The forecasted procurement amount based on expected demand for products and services with references to historical amounts and expected business growth. The Group plans to procure large temperature difference units and steam heat pumps from a subsidiary of Tongfang Group.

Reasons for and benefits of the 2025 Purchase Agreement

The Directors believe that the Group's choice to purchase relevant products from THTF is reasonable and necessary, as detailed below:

First, the Group can ensure the stability of the supply chain. The relevant products purchased by the Group from THTF have long served and supported the business development of the Group. THTF has performed well in controlling delivery schedules and maintaining product quality stability, effectively ensuring continuity and reliability of product supply.

Second, the products and related services are highly compatible. The products and related services provided by THTF, in terms of intellectual property protection, quality standards, technical parameters, and management systems, are better aligned with the Group's technology transfer processes and manufacturing procedures. Furthermore, THTF can provide customized manufacturing solutions tailored to the special technical requirements of the Company.

Third, the cooperation offers significant win-win advantages. The favorable synergy between the Group and THTF has effectively reduced the intermediate costs of the Group's external transactions. Thus, the Group is capable of offering more cost-effective related products to the market, expanding its market scale and simultaneously increasing the Group's revenue.

Fourth, it is in line with the Group's overall strategic positioning, reflecting not only economic rationality but also supporting the Group's long-term strategic development plan, thereby effectively enhancing the Group's competitiveness.

In view of the above, the Directors are of the view that the 2025 Purchase Agreement is entered into in the ordinary and usual course of business of the Group on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE 2025 MASTER AGREEMENT

The 2025 Master Agreement was entered into on 4 December 2025 between Technovator Beijing and THTF to commence a new term for the transactions contemplated under the 2025 Master Agreement of three years from 1 January 2026 to 31 December 2028.

A summary of the principal terms of the 2025 Master Agreement is set out below:

Date:	4 December 2025 (after trading hours)
Parties:	(1) Technovator Beijing, a wholly-owned subsidiary of the Company
	(2) THTF, a controlling Shareholder

Subject matter:	The Group may provide to or receive from Tongfang Group miscellaneous products and services as may be required to satisfy the operational needs of the Group/Tongfang Group from time to time in the ordinary course of business of the Group in accordance with the terms and conditions of the 2025 Master Agreement for a term of three years from 1 January 2026 to 31 December 2028. Pursuant to the 2025 Master Agreement, the miscellaneous products and services provided by the Group to Tongfang Group mainly include (i) rental services (including leasing of land and premises); (ii) research and development services and products (including technology licensing); (iii) the use of trademark license; and (iv) sharing of general administration and management support services but exclude any transactions contemplated under the 2025 Sales Agreement. The miscellaneous products and services provided by Tongfang Group to the Group mainly include (i) rental services (including leasing of land, premises, machinery and equipment); (ii) research and development services and products (including technology licensing); (iii) the use of trademark license; and (iv) sharing of general administration and management support services, other than the Existing Trademark License Agreements and any transactions contemplated under the 2025 Purchase Agreement.
Consideration and payment:	For the sale of ready-made products or the provision of standardised services, the price for such products or services shall be based on the pricing terms as offered by the Group no less favorable than those given to Independent Third Parties. The Group shall regularly review such pricing policy. For the sale of self-produced products or services, reference shall be made to transactions of similar type, scale and nature with Independent Third Parties to ensure that the price and conditions as offered by the Tongfang Group to the Group are not less favourable than those offered to Independent Third Parties.

For the acquisition of products or services, the Group shall make reference to not less than two transactions of similar type, scale and nature with Independent Third Parties to ensure that the price and condition as offered by the Tongfang Group are fair and reasonable and similar to those offered by Independent Third Parties.

For the sharing of general administration and management support services, the fees payable or receivable by the Group are determined based on the direct cost of the human resources providing such services, the actual overhead costs incurred by the relevant offices and the number of entities sharing the services provided by the relevant office.

The prices at which the Group or Tongfang Group provides such services will be based on the following pricing mechanism in the following order of priority:

(i) government-prescribed price (including any price prescribed by any relevant local government, if applicable);

(ii) where there is no government-prescribed price but there is a government-guidance price, then the government-guidance price;

(iii) where there is neither a government-prescribed price nor a government-guidance price, the prevailing market price with reference to the nature of the same or similar type of products and services (including location, size of properties, ancillary facilities and equipment) provided by the Independent Third Parties in the ordinary course of business of the Group; or

(iv) where none of the above is applicable or where it is not practical to apply the above pricing policies, then the price agreed between the relevant parties shall be based on arm's length negotiation and shall be the reasonable costs incurred in providing the products plus reasonable profits.

The actual price will be separately determined on arm's length basis and agreed between the Group and Tongfang Group prior to their entering into of each transaction based on the above pricing mechanism. Therefore, such price will be comparable to or no less favorable to the Group than the market price of the same or similar type of products and services available from Independent Third Parties.

The relevant pricing mechanism was determined by the parties after arm's length negotiations with reference to the pricing principles of similar transactions previously carried out by the Group.

All transaction amounts shall be paid before the 15th day of the next month after set-off. Interests shall be accrued on any amounts overdue for more than one month at the prevailing bank lending rate.

Terms: A term of three years from 1 January 2026 to 31 December 2028

Annual caps: Provision of miscellaneous products and services by the Group to Tongfang Group

For the year ending 31 December 2026 – RMB50 million

For the year ending 31 December 2027 – RMB50 million

For the year ending 31 December 2028 – RMB50 million

Provision of miscellaneous products and services by Tongfang Group to the Group

For the year ending 31 December 2026 – RMB50 million

For the year ending 31 December 2027 – RMB50 million

For the year ending 31 December 2028 – RMB50 million

Historical Transaction Amounts

For the eleven months ended 30 November 2025, the provision of miscellaneous products and services by the Group to Tongfang Group amounted to approximately RMB6.81 million.

For the years ended 31 December 2023 and 2024, the provision of miscellaneous products and services by Tongfang Group to the Group amounted to approximately RMB16.3 million and RMB17.6 million, respectively. For the eleven months ended 30 November 2025, the provision of miscellaneous products and services by Tongfang Group to the Group amounted to approximately RMB9.09 million.

Historical and Existing Annual Caps

The historical and existing annual caps under the 2022 Master Agreement for the years ended 31 December 2023 and 2024 and the year ending 31 December 2025 is RMB20 million, RMB25 million and RMB30 million, respectively, for the provision of miscellaneous products and services by the Group to Tongfang Group, and RMB43 million, RMB48 million and RMB53 million, respectively, for the provision of miscellaneous products and services by Tongfang Group to the Group.

Basis of the Annual Caps

In arriving at the annual caps for the years ending 31 December 2026, 2027 and 2028, the Company has taken into account the following:

(i) *Historical transaction amount:* For the provision of miscellaneous products and services by Tongfang Group to the Group, the actual amount of procurement by the Group during the historical periods, and the expected increase of the procurement of such products and services;

(ii) *Increase in rental costs:* For the rental services provided by Tongfang Group to the Group, the expected increase in rental costs for such rental services (including leasing of land, premises, machinery and equipment) based on the latest market trend of rental prices and by reference to the current terms;

(iii) *Increase in research and development services:* This increase is driven by the Group's strategic focus and planning for product and technology development, existing contracts, and new potential research and development projects currently under discussion between the Group and Tongfang Group; and

(iv) *Other factors:* Prevailing market rates and conditions in the PRC, anticipated growth of the business of the Group and the Tongfang Group, the sales planning, actual operating circumstances of the Group and the future sharing of support services of some of the Group's offices between the Group and Tongfang Group to accommodate their respective future development and optimise their respective costs, and miscellaneous services generated during the development of the Group, such as information security, personnel training, etc.

Reasons for and benefits of the 2025 Master Agreement

Maintaining the sales of goods to the Tongfang Group has a positive contribution to the operating revenue of the Group and the Tongfang Group has proven to be a reliable supplier to the Group at competitive prices which has a positive contribution to the business and operations of the Group. The transactions contemplated under the 2025 Master Agreement will facilitate the sales of products and services from the Group to Tongfang Group, and the procurement of products and services from Tongfang Group by the Group of miscellaneous nature. Given the mutually beneficial relationship between the Group and the Tongfang Group, the Directors (other than the independent non-executive Directors, who will form their view after considering the advice of the Independent Financial Adviser) consider that the 2025 Master Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board's Assessment on Pricing Mechanism

The miscellaneous products and services provided by Tongfang Group to the Group under the 2025 Master Agreement mainly include rental services. The leased offices are owned by Tongfang Group. There is neither a government-prescribed price nor a government-guidance price for rental services because the individual characteristics of the different leased properties has a great influence on the rental price. Instead, the rental price shall be determined with reference to the prevailing market price for the lease of similar type of properties, taking into account the differences in location, characteristics of properties, supply and demand relationship of the office lease and other factors. For details, please refer to the paragraph headed "Consideration and Payment" under "The 2025 Master Agreement" section.

The miscellaneous products and services provided by the Group to Tongfang Group under the 2025 Master Agreement mainly include research and development services and products (including technology licensing). There is neither a government-prescribed price nor a government-guidance price for research and development services because research and development services vary greatly depending on the specific requirements formulated by the clients. Instead, the service fees shall be determined with reference to the prevailing market price for the research and development of similar type of facilities or equipment, taking into account the differences in the size, feature, functions of the relevant facilities and equipment and other factors. For details, please refer to the paragraph headed "Consideration and Payment" under "The 2025 Master Agreement" section.

In respect of the use of trademark license services under the 2025 Master Agreement, there is neither a government-prescribed price nor a government-guidance price because the royalty rates vary depending on the type and usage of trademarks. Instead, the royalty rates shall be determined with reference to the prevailing market level of royalty rates under similar trademark license agreements. For details, please refer to the paragraph headed "Consideration and Payment" under "The 2025 Master Agreement" section.

In respect of the sharing of general and administration and management support services, there is neither a government-prescribed price nor a government-guidance price because such services are carried out based on the specific requirements formulated by the clients. The service fees agreed between the relevant parties shall be based on arm's length negotiation and shall be the reasonable costs incurred in providing such services plus reasonable profits.

Based on the above, the Board has made the assessment that due to the lack of government-prescribed price and government-guidance price, both parties shall follow the pricing mechanism as set out in the paragraph headed "Consideration and Payment" under "The 2025 Master Agreement" section.

Implementation Agreement

The 2025 Master Agreement is intended to set out the basic terms of the transactions to be covered under the 2025 Master Agreement. The parties shall negotiate the specific terms of the transactions in accordance with the market conditions. It is envisaged that from time to time and as required, individual implementation agreements may be entered into between the Company, THTF and their respective associates or relevant parties, as appropriate, to set out further terms of the transactions contemplated under the 2025 Master Agreement.

Each implementation agreement will set out the specific scope of products and services requested by the relevant party and other specifications which may be relevant to those products and services. The implementation agreements may only contain provisions which are in all material respect consistent with the terms and conditions as contained in the 2025 Master Agreement.

As the implementation agreements are simply further elaborations on the provision of products and services as contemplated by the 2025 Master Agreement, they do not constitute new categories of connected transactions or continuing connected transactions under the Listing Rules.

INTERNAL CONTROLS

The independent non-executive Directors and the auditors of the Company will review the transactions under each of the 2025 Agreements annually to ensure that the 2025 Agreements are entered into in the ordinary course of business of the Company and its terms are fair and reasonable and on normal commercial terms. Furthermore, the finance department of the Group will continuously monitor the transactions under the 2025 Agreements against the approved Annual Caps.

The Group has also adopted specific internal control and risk management measures for the transactions contemplated under each of the 2025 Agreements:

The 2025 Business Arrangements Agreement

Pursuant to the 2025 Business Arrangements Agreement, the Group has the right but not the obligation to require THTF to facilitate the Intelligent Rail Transit, Building and Urban Heating Network Businesses in the manners set out above. The Group has adopted the following internal control measures in relation to the 2025 Business Arrangements Agreement:

(i) in order to monitor the transfer of payments to and from THTF, THTF maintains a separate bank account for all receipts and payments related to the Nominee Projects. This bank account, although held under the name of THTF, is controlled by the Group, and THTF has no control over or access to it. For payments from the customers of the Nominee Projects, such funds will be paid directly into the said bank account. The finance department of the Group will monitor the invoices to and payments from the customers to ensure that accurate payment has been effected. On the other hand, once invoices have been issued by the suppliers of the Nominee Projects to THTF, THTF will forward the invoices to the finance department of the Group for review. If the finance department considers the amount stated in the invoices to be accurate, it will approve and effect payments to the relevant suppliers from the said bank account directly;

(ii) in order to monitor the amount of transfers between THTF and the Group against the relevant annual caps, at the start of each month, the sales and procurement departments of the Intelligent Rail Transit, Building and Urban Heating Network Businesses will inform the respective operation departments of the projected transfer amounts expected to take place under the 2025 Business Arrangements Agreement for the month. The operation departments will, after reviewing the projected transfer amounts, alert the finance department of the Group and provide it with a breakdown of the total projected transfer amounts. The finance department will decide whether to approve the relevant projected transfer amounts after comparing the projected transfer amounts against the amount of annual cap remaining for the year. Once the projected transfer amounts are approved, the operation department will closely monitor the actual transfer amounts against the approved projected transfer amounts, and will alert the finance department of the Group of any differences between the projected and actual transfer amounts. Where the actual transfer amounts will exceed the projected transfer amounts, prior approval from the finance department of the Group must be obtained before the transfer can be effected;

(iii) to safeguard the entering into of the new sales or supply contracts to which THTF will act as the party, the Group will only recognize contracts (including any amendments of such contracts) the forms of which have been approved by the Group in writing as subject to the 2025 Business Arrangements

Agreement, and will manage all such contracts, including keeping original copies of such contracts and all amendments to such contracts, during the course of their terms;

(iv) the relevant personnel at the Intelligent Rail Transit, Building and Urban Heating Network Businesses responsible for managing the sales and supply contracts will, according to their respective functions, including sales, project management, procurement, operation and finance, be responsible for managing these contracts under the overall supervision of the general manager of the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses and the senior management of the Group;

(v) the sales department will continue to be primarily responsible for determining the terms of bids on projects and negotiating the terms of sales contracts with the customers of the Nominee Projects and the procurement department will continue to be responsible for preparing or negotiating supply contracts with the suppliers of the Nominee Projects, both of which will be subject to review by the other business functions of the Group, including the finance department and operation departments; and

(vi) after the form of the draft contracts and the proposed terms are determined, having taken into account the input from the relevant departments at the Intelligent Rail Transit, Building and Urban Heating Network Businesses and the result of negotiation with the third party customers or suppliers, such contracts will require the approval of the general manager of the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses before the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses request and instruct THTF to enter into such contracts.

The 2025 Sales Agreement

The Group has adopted internal control measures to monitor the pricing and terms of the transactions contemplated under the 2025 Sales Agreement. In addition to the internal control measures described in "Consideration and Payment" under the summary of the 2025 Sales Agreement in this letter, the Group has also adopted the following internal control measures to monitor the compliance of the pricing terms under the 2025 Sales Agreement and ensure the Annual Caps approved by the Independent Shareholders will not be exceeded:

(i) before the sales department submits a quotation to Tongfang Group, the sales department will report the same to the operation department;

(ii) the operation department will decide whether to approve the relevant quotation after considering factors such as (a) the status of the relevant project; and (b) the estimated amount of transactions;

(iii) if the operation department decides to approve the sales contract, it will report the same to the finance department of the Group. The finance department will decide whether to approve the relevant quotation after considering (a) whether the transaction is in compliance with requirements of the relevant Listing Rules; and (b) the amount of annual cap remaining for the year;

(iv) the sales department will only prepare the relevant quotation to Tongfang Group after it obtains approvals from both the operation department at the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses and the finance department of the Group;

(v) the Group maintains a standardised price list applicable to all customers. The standardised prices of products are determined based on cost-plus pricing with a mark-up rate of usually not less than 20%, taking into account (a) for self-produced products, the production cost; or (b) for procured products, the procurement cost, and are reviewed and adjusted by the product management department from time to time with reference to changes in the market prices of similar products offered by the Group's competitors. For ancillary services provided in connection with the products, the standardised service fee is set at a percentage, usually 12%, of the quoted product price. After due consideration of the above factors, the sales department will, based on the price as stated in the Group's standardised price list, determine the final quotation price and discount after considering additional factors such as the scale of the contract and the payment terms. Based on the price as stated in the Group's standardised price list, the sales department will determine the final quotation price and discount after considering factors such as (a) the scale of the contract; and (b) the payment terms. The final quotation price (including discounts, if any) so submitted to Tongfang Group will at least be the same as the price quoted to Independent Third Party customers for similar transactions;

(vi) if the Group's quotation is accepted by Tongfang Group and the relevant sales contract is signed, the sales department will report the same to the operation department;

(vii) the operation department will closely monitor the transactions under the relevant sales contract and will report the relevant transaction amounts to the finance department of the Group; and

(viii) the finance department of the Group will monitor all transactions under the relevant sales contract against the approved annual caps, and will produce a monthly report of the transactions to the management of the Group. It will also continuously review and improve the internal reporting and approval system.

The 2025 Purchase Agreement

The Group has adopted internal control measures to monitor the pricing and terms of the transactions contemplated under the 2025 Purchase Agreement.

In addition to the internal control measures described in "Consideration and Payment" under the summary of the 2025 Purchase Agreement in this letter, the Group has also adopted the following internal control measures to monitor the compliance of the pricing terms under the 2025 Purchase Agreement and ensure the Annual Caps approved by the Independent Shareholders will not be exceeded:

(i) where the procurement department is aware of the need to enter into any new procurement contracts, the procurement department will report the same to the operation department;

(ii) the procurement department will compare the prices quoted by prospective suppliers, including those submitted by Tongfang Group and other Independent Third Party suppliers, and select the supplier based on the price and suitability of the relevant products;

(iii) where Tongfang Group is so selected as the supplier, the procurement department will make a report to the operation department at the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses by providing the relevant information such as the status of the relevant project and the estimated procurement amount;

(iv) the operation department will decide whether to approve the relevant procurement contract after considering factors such as (a) the price quoted by Tongfang Group; (b) the price quoted by other suppliers; and (c) the reasonableness of the transaction;

(v) if the operation department decides to approve the procurement contract, it will report the same to the finance department of the Group. The finance department will decide whether to approve the relevant procurement contract after considering (a) whether the transaction is in compliance with requirements of the relevant Listing Rules; and (b) the amount of annual cap remaining for the year;

(vi) the procurement department will only enter into the relevant procurement contract with Tongfang Group after it obtains approvals from both the operation department at the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses and the finance department of the Group; and

(vii) the finance department of the Group will monitor all transactions under the relevant procurement contract against the approved annual caps, and will produce a monthly report of the transactions to the management of the Group. It will also continuously review and improve the internal reporting and approval system.

The 2025 Master Agreement

The Group has adopted internal control measures to monitor the pricing and terms of the transactions contemplated under the 2025 Master Agreement. In addition to the internal control measures described in "Consideration and Payment" under the summary of the 2025 Master Agreement in this letter, the Group has adopted the following internal control measures in relation to the 2025 Master Agreement:

(i) for all transactions involving products and services provided by the Group to Tongfang Group, including any new types of products or services, the sales, operation and finance department of the Group will, through the procedures described in "Internal Controls — The 2025 Sales Agreement" in this letter, report, approve and monitor the transactions accordingly;

(ii) for all transactions involving products and services provided by Tongfang Group to the Group, including any new types of products or services, the procurement, operation and finance department of the Group will, through the procedures described in "Internal Controls — The 2025 Purchase Agreement" in this letter, report, approve and monitor the transactions accordingly; and

(iii) the sales and procurement departments of the Group will regularly monitor government announcements and publications to check whether any government-prescribed prices or government-guidance prices are imposed on products and services provided by or to the Group, including any new types of such products or services, to ensure compliance of the pricing terms under the 2025 Master Agreement in relation to government-prescribed prices or government-guidance prices.

Based on the above, the Directors are of the view that the above procedures provide sufficient and effective safeguard to ensure that the transactions under each of the 2025 Agreements are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable.

IMPLICATION UNDER THE LISTING RULES

THTF is a controlling Shareholder and is therefore a connected persons of the Company under the Listing Rules. Accordingly, the 2025 Agreements and the transactions under the 2025 Agreements between the Group and Tongfang Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Further, the Group notes from Rule 14A.01 of the Listing Rules and various listing decisions of the Stock Exchange related to continuing connected transactions that the related rules under the Listing Rules aim to ensure that the interests of shareholders as a whole are taken into account by a listed issuer when it enters into transactions with connected persons, in particular to safeguard against connected persons taking advantage of their positions to the detriment of the issuer's minority shareholders. Hence, taking into account (i) the spirit of the Listing Rules relating to connected transactions; (ii) the amount of transfers both to and from the Group and THTF under the 2025 Business Arrangements Agreement; (iii) the status of THTF as a controlling Shareholder; and (iv) the treatment by the Group of the transfers under the 2022 Business Arrangements Agreement in 2022, for the transfers contemplated under the 2025 Business Arrangements, although no consideration will be paid by the Group to THTF in relation to such business arrangements, given that there will be payments between the Group and THTF, the Board considers it appropriate to subject such payments to the requirements for continuing connected transactions under Chapter 14A of the Listing Rules, and adopt the stated annual caps as the maximum transaction amounts for these transactions.

As one or more percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the transactions contemplated under each of the 2025 Agreements are greater than 5%, each of the 2025 Agreements and the transactions contemplated under these agreements are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Resolutions will be put forth to the Independent Shareholders at the 2026 First EGM for the Independent Shareholders to consider and approve each of the 2025 Agreements and the respective Annual Caps for the years ending 31 December 2026, 2027 and 2028.

As the transactions under the 2025 Agreements are transactions of a revenue nature in the ordinary and usual course of business of the Company, these transactions do not constitute transactions under Chapter 14 of the Listing Rules.

INFORMATION ABOUT THE GROUP, TECHNOVATOR BEIJING AND TONGFANG ENERGY SAVING

The Group is a leading integrated urban energy saving services provider, which concentrated on three major business segments, namely smart transportation, smart building and complex and smart energy, to drive the development of the urban integrated energy saving business capitalized on information and intelligence. It provides customers with smart energy management products, solutions and services throughout their full life cycle. The Company was incorporated in Singapore in 2005, whose shares are listed on the main board of the Stock Exchange since 27 October 2011.

Technovator Beijing is a wholly-owned subsidiary of the Company and is established in the PRC with limited liability. Technovator Beijing is principally engaged in the design, manufacturing and marketing of building automation solutions.

Tongfang Energy Saving is a wholly-owned subsidiary of the Company and is established in the PRC with limited liability. Tongfang Energy Saving is principally engaged in energy management services and marketing of heating power equipment.

RELATION WITH AND INFORMATION ABOUT THTF

THTF, a controlling Shareholder of the Company, is a joint stock limited company established in the PRC, whose shares are listed and traded on the Shanghai Stock Exchange (上海證券交易所) (stock code: 600100) since June 1997. THTF and its subsidiaries are engaged in businesses in a number of sectors in the technology industry. The principal businesses of THTF cover the following six sectors: internet services and terminals, public security, intelligent city; energy saving and environment protection, science park, and headquarters and investment. Its internet services and terminal sector includes business groups such as smart chips, hardware terminals and internet content services; its public security sector includes business groups such as security systems, national security and military industry; its intelligent city sector includes business groups such as internet of things; its energy saving and environment protection sector includes business groups such as building energy saving, industrial energy saving, semi-conductor lighting and water supply.

As at the Latest Practicable Date, THTF directly and indirectly through Resuccess owns a total of 286,330,142 Shares, representing approximately 36.6% of the issued Shares of the Company. THTF is a controlling Shareholder and is therefore a connected person of the Company under the Listing Rules.

Reliance on THTF

(I) Reasons for Reliance on THTF

The Company is of view that the reliance of the Company on THTF is based on a rational and phased arrangement which was made with a view to ensuring business continuity and market competitiveness, and was mainly attributable to the objective requirements (account for a limited proportion) of specific legal qualifications and performance thresholds. The Board is of view that the Company's reliance on THTF Nominee Projects may increase for the three years ending 31 December 2028, which is fair and reasonable and in the interests of the Company and all of its Shareholders as a whole, primarily based on the following factors:

(i) In the fields of intelligent building, intelligent rail transit and intelligent heating businesses, in order to participate in relevant projects, bidders are usually required to have Level 1 qualification for general contracting of mechanical and electrical engineering construction that are up to the requirements of project implementation, safety management and performance guarantee, etc. THTF has obtained and continuously maintained the aforementioned qualifications. However, the Company has not yet obtained the corresponding qualifications, which may result in its failure to participate in bids for certain large or comprehensive projects solely under the name of the Company. According to the actual situation of the Group, it is planned to complete a series of resource preparations such as personnel qualification certification and project result accumulation in the three-year preparation period from 2025 to 2027. After meeting all conditions, it is planned to initiate the application process for Level 1 qualification for general contracting of

mechanical and electrical engineering construction in 2028, with the goal of obtaining it by 31 December 2028.

(ii) THTF has acquired a wealth of project experience in the field of intelligent rail transit, and has established long-term and stable cooperative relationships with rail transit owners in many places, such as Changchun Rail Transit, Wuhan Metro and other core regional customers. During project bidding and performance evaluation, relevant owners usually attach great importance to historical performance, project continuity and cooperation stability. Leveraging on THTF's existing performance and customer cooperation ecosystem, the Company can acquire business opportunities in fierce market competition, preventing potential missing of orders due to qualification or performance thresholds.

(iii) In 2025, the domestic market environment of the Group's business fields has changed. The national policies focusing on the renewal and replacement (兩新) and significant strategies and critical fields (兩重) generated significant project opportunities in the fields of intelligent building, intelligent rail transit and intelligent heating businesses, such as urban renewal and renovation, overhaul and renovation of rail transit industry, municipal railways, intercity lines, nuclear heating and other projects. To avoid missing these business opportunities, it is a reasonable commercial choice to maintain the Nominee Projects arrangement.

(iv) The economic substance of the Nominee Projects is entirely borne by the Company, with no transfer of benefits to THTF. Although the contracts are executed under the name of THTF, the actual performance subject, operational responsibilities and project risks of the Nominee Projects are all borne by the Company. All related revenue belongs to the Company. THTF does not share in the profits nor does it charge any fees.

(v) The Nominee Projects arrangement remains clearly transitional in nature, which is conducive to the Company's medium to long-term independent development. During the capacity-building and market transformation process, maintaining the Nominee Projects arrangement can effectively avoid operational disruptions, ensure income continuity and support the Company's gradual transition to a higher degree of business independence.

For the year ending 31 December 2025, it is expected that the percentage of the revenue of the Group generated from the Nominee Projects will be not more than 30% of the total revenue of the Group for the corresponding year. The Company anticipates that the percentage of the revenue generated by the Group from the Nominee Projects may increase for the three years ended 31 December 2028, although the proposed annual caps under the 2025 Agreements are generally decreased as compared to those under the respective 2022 Agreements. This relates to the relatively prudent assumptions adopted by the Group regarding its future overall revenue growth when preparing business forecasts for the relevant period, based on uncertainties such as the macroeconomic environment, intensified industry competition and project delivery cycles. The Board has

undertaken to the Shareholders that the percentage of relevant revenue will not exceed 50% of the total revenue of the Group for any relevant year, and the Company has taken into account the expected revenue for the years ended 31 December 2026, 2027 and 2028 when determining the annual caps under the 2025 Business Arrangements Agreement.

(II) No Material Reliance on THTF

Since the establishment of the Group, THTF has always been our largest Shareholder, providing persistent support during the business course of the Group. As of the Latest Practicable Date, there are no disputes, disagreements, or outstanding matters between THTF and the Group, and the Group is not aware of any agreements, arrangements, or other circumstances that could result in a material adverse change in or termination of the relationships between THTF and the Group. The Group is also not aware of any plans or arrangements by THTF to substantially reduce its shareholding in the Company in the foreseeable future. Therefore, the Company believes that the relationship with THTF is stable and is unlikely subject to any material adverse change or termination in the foreseeable future. The Group does not, and will not in the future, have excessive reliance on THTF for the following reasons:

(1) The Group does not overly rely on THTF for sales to or purchases from it, and relevant arrangements do not constitute a substantial source of income or cost

The payments to and from THTF under the 2017 Business Arrangements Agreement, the 2019 Business Arrangements Agreement, the 2022 Business Arrangements Agreement and the 2025 Business Arrangements Agreement are to facilitate the Group to receive and settle payments to and from customers and suppliers for Nominee Projects only. THTF is not entitled to any fees, commission or other forms of economic benefits for such payments, and the Group will directly handle all matters relating to the Nominee Projects. Transfer of payments to and from THTF for Nominee Projects are effected through a separate bank account maintained by THTF but controlled only by the Group. The role of THTF under this arrangement is only to enter into contracts with the customers and the suppliers in its name for the Group, if so requested by the Group, with no participation in any substantive business decisions or execution of projects. Based on the aforesaid arrangements, even if the business relationship between the Group and THTF changes or the relevant business arrangements are terminated, there will not be any substantial changes to the Group's revenue recognition model, cost structure, and profit attribution, nor will there be any circumstance where the Group is required to pay alternative fees or bear additional costs to THTF as a result of its non-participation.

As for the 2025 Sales Agreement and 2025 Purchase Agreement, based on the Company's estimated revenue, the proposed annual caps are not expected to amount to more than 17% of the total revenue of the Group for any corresponding year. As for the 2025 Master Agreement, revenue generated by the Company from Tongfang Group is not expected to amount to more than 3% of the total revenue of the Group for any corresponding year. The Board is of the view that the scale of the above-mentioned transactions accounts for a limited proportion of the Group's

overall revenue. Even if the relevant arrangements are terminated, the impact on the Group's overall financial performance and operational stability would be limited.

(2) Ability to generate business independent of THTF

Even if a material adverse change in or termination of the relationships between the Group and THTF occurs, the Group still has various practical alternative solutions that could effectively mitigate the risks associated with the change in the relationships with THTF, ensuring that no such a change may have any material adverse impact on the business of the Group, including:

(i) The Group has made substantive advancement in its capability to directly undertake projects under its own name. In recent years, the Group has deepened its market presence, actively enhanced its capacity to directly undertake projects under its own name, and made substantial progress in the intelligent building business and intelligent energy business segments, successfully entering into direct contracts for various demonstration projects, which showcases the achievement of phased results by the Group in market expansion, effectively enriching the business structure of non-Nominee Projects. Meanwhile, the Group expects to obtain the level 1 qualification for general contracting of mechanical and electrical engineering construction by 31 December 2028, by then it will be able to independently participate in bidding for relevant large-scale key projects.

(ii) The Group has been actively expanding into emerging business areas. Leveraging its self-developed and manufactured software and hardware products, the Group continues to enhance its core competitiveness, as well as its industry reputation and market recognition. It has been actively expanding into emerging business areas beyond the intelligent building business and intelligent energy business segments to which the Nominee Projects belong, including new energy, smart healthcare, and smart campus. By continuously exploring application of new scenarios, introducing new business formats, optimizing business structure, and gradually reducing the percentage of revenue from the intelligent building business and intelligent energy business segments in the total revenue of the Group, the Group aims to minimize the likelihood of the material adverse impact on its business from any changes in its relationship with THTF.

(iii) The Group has actual independent control over the performance of the Nominee Projects and the supply chain. In any event, for all projects of the Group including the Nominee Projects, the Group is responsible for handling all substantive matters, including but not limited to negotiating terms and contracts with customers, providing services, performing the works required by customers, engaging with suppliers independently from Tongfang Group, and independently procuring materials and services from suppliers.

(iv) Externally, there are practical alternative ways for cooperation. Even if a material adverse change in or termination of the relationships between the Group and THTF occurs, the Board notes that there are other independent third-party enterprises with the requisite qualifications and track records in the market besides THTF. The Group may cooperate with such third parties as a subcontractor to undertake relevant large-scale projects.

Measures Taken by the Company

(I) Corporate Actions Taken to Mitigate Dependence

Over the past three years, the Company has implemented the following specific measures to reduce its reliance on THTF:

(i) Promoting directly-contracted projects and diversifying revenue sources from non-Nominee Projects. In recent years, the Company has been steadily cultivating the end market, actively enhancing its capability to undertake projects directly under its own name. In terms of the Intelligent Building Business, the Company has successfully signed and implemented projects directly, including the Urban Renewal Project of Shenyang Hunnan Science and Technology City (瀋陽渾南科技城城市更新項目) and the Construction Project of Chongqing Fourth People's Hospital (Science City Campus) (重慶第四人民醫院科學城院區建設項目). In terms of the Intelligent Energy Business, the Company has also directly signed and advanced projects such as Taiyuan Central Heating Project (太原市集中供熱工程項目) and Shihezi Xinjiang Tianfu Energy Project (石河子新疆天富能源項目). The successful implementation of these projects signifies that the Company has made phased progress on its capacities in market expansion and independent contract fulfillment, effectively enriching the business structure of non-Nominee Projects.

(ii) Strengthening qualification development and enhancing independent bidding and contract performance capabilities. During the past three years, the Group has steadily advanced its qualification system to gradually eliminate its institutional reliance on nominee arrangements. In this process, the Group has successively successfully applied for and obtained recognition as the National High and New Technology Enterprise, the Beijing SRDI Enterprise, and the Beijing Little Giant Enterprise. the CMMI (Capability Maturity Model Integration) certification of the Group has successfully been upgraded from Level 3 to Level 5, reflecting a higher level of maturity of the Group in software engineering management, R&D capabilities and project delivery quality. In addition, the Group has obtained a Level 2 qualification for general contracting of mechanical and electrical engineering construction in 2024, significantly improving its ability to bid and perform projects under its own name in relevant engineering projects. Meanwhile, the Group is actively pursuing applications for additional relevant qualifications and is

simultaneously carrying out the application for ITSS (Information Technology Service Standards) Level 3 certification to further expand its business access scope.

(iii) Reinforcing talent and project capability development and solidifying our foundation for long-term competitiveness. The Company continues to increase investments in professional talent and project management capabilities by involving core technical and management personnel in the implementation of key projects and continuously accumulating experience in delivering large-scale projects. In the meantime, it encourages and supports employees in obtaining individual professional qualifications and certifications related to our business, which has constantly enhanced the team's professionalism, laying the workforce and capability foundation for the Company to undertake large projects under its own name in the future.

(iv) Strengthening brand development and industry influence and enhancing market recognition. Focusing on building a systematic and multi-dimensional brand promotion and industry participation framework, the Company actively joins industry associations related to intelligent rail transit, electrical engineering and urban heating, as well as participates in industry exchanges and seminars. By leveraging association platforms, the Company expands industry resources and enhances its professional image. Meanwhile, the Company continuously releases project achievements, technology progress and business updates through its official website and WeChat public account, gradually increasing the Company's brand awareness and market recognition within the relevant industries.

(II) Future Corporate Actions the Company Intends to Take

The Group has planned to adopt the following plans to reduce its transactions with Tongfang Group in the future:

(i) The Group is implementing a "Core Technology Productization" strategy to drive growth through standardized products and enhance independent profitability. Building on its smart city heating network business, the Group will expand industry software productization, leveraging its proprietary "Kunlun (昆侖)" digital platform and AI integration, and extend applications to sectors such as smart healthcare and smart campuses. At the same time, as a leading urban energy service provider, the Group will develop integrated energy solutions and promote high-end energy-saving equipment, including absorption heat pumps, to external markets. This strategy is expected to optimize the Group's revenue structure and reduce reliance on THTF;

(ii) The Group has implemented internal control measures to monitor all transactions with Tongfang Group. The operation department and finance department regularly monitor the transaction amounts with Tongfang Group and the usage of annual caps, ensuring that the related transactions are controlled and comply with the requirements of the Listing Rules. For details, please refer to "Internal Controls" in this letter.

(iii) The Group plans to obtain the level 1 qualification for general contracting of mechanical and electrical engineering construction by 31 December 2028, by then it will have the qualification to independently participate in bidding for certain large-scale projects under its own name. Nevertheless, by 31 December 2028, in view of national macro policy directions and development trends in key industries such as nuclear heating, intelligent rail transit, intelligent building, and intelligent heating network, and in order to leverage THTF's reputation and standing in the relevant industries, the Company anticipates that there may still be some projects to be undertaken through THTF on a nominee basis. In the meantime, as the delivery time for certain awarded Nominee Projects may be extended to beyond 31 December 2028, by then the Group may still need to continue signing business arrangement agreements with THTF to ensure smooth implementation of such projects. The Group undertakes that it will tightly control the proportion of the contribution from the Nominee Projects to the annual revenue, and that it will strictly comply with applicable approval and disclosure requirements for connected transactions under any circumstances, ensuring that the entering into of such transactions are on fair and reasonable terms, with fair and transparent pricing, and in the interests of the Company and its Shareholders as a whole.

2026 FIRST EXTRAORDINARY GENERAL MEETING

A notice convening the 2026 First EGM is set out on pages 91 to 93 of this circular. The 2026 First EGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolutions to approve each of the 2025 Agreements, the transactions contemplated thereunder and their respective proposed Annual Cap amounts in accordance with the requirements of the Listing Rules.

Although each of Mr. Li Chengfu and Mr. Zeng Xuejie is an employee of THTF or its subsidiary, none of them is involved in the decision making of the THTF that might be relevant to the continuing connected transactions between THTF and the Group. Therefore, the Board has made the assessment that none of the Directors has a material interest in the 2025 Agreements and therefore no Director has abstained from voting on the board resolutions of the Company to approve the 2025 Agreements and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, at the 2026 First EGM, THTF, the controlling Shareholder of the Company, and its associates (who as at the Latest Practicable Date own a total of 286,330,142 Shares, representing approximately 36.6% of the issued Shares of the Company) are required to abstain from voting on the ordinary resolutions approving the 2025 Agreements, the transactions contemplated under the agreements and the respective Annual Caps. In view of the interests of THTF, THTF and its associates will abstain from voting on the ordinary resolutions approving the 2025 Agreements, the transactions contemplated under the agreements and the related Annual Caps.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are no Shareholders who have material interest in the 2025 Agreements and are required to abstain from voting on the resolutions to approve the 2025 Agreements, the transactions contemplated under the agreements and the respective Annual Caps at the 2026 First EGM.

A form of proxy for use at the 2026 First EGM is sent to the Shareholders together with this circular. Whether or not the Shareholders are able to attend the 2026 First EGM, the Shareholders are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding of the 2026 First EGM or adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the 2026 First EGM or any adjourned meeting thereof should the Shareholders so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the 2026 First EGM must be taken by poll.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules, the Independent Board Committee will be formed by the Company to consider the 2025 Agreements, the transactions contemplated thereunder and their respective Annual Caps, and to advise the Independent Shareholders as to whether the 2025 Agreements, the transactions contemplated thereunder and their respective annual cap amounts are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2025 Agreements.

RECOMMENDATION

The Directors, including the independent non-executive Directors, after taking into account the advice from Somerley Capital Limited, consider that the transactions under the 2025 Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the 2026 First EGM.

Yours faithfully,
By order of the Board
Technovator International Limited
Li Chengfu
Chairman



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

(incorporated in Singapore with limited liability)

(Stock Code: 1206)

12 January 2026

To the Independent Shareholders

Dear Sir or Madam,

NEW 2025 AGREEMENTS IN RELATION TO CERTAIN CONTINUING CONNECTED TRANSACTIONS

We refer to the 2025 Announcement and the circular dated 12 January 2026 of the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise. We, being the independent non-executive Directors, have been appointed as the Independent Board Committee to advise you as a Shareholder in connection with the 2025 Agreements, details of which are set out in the Letter from the Board contained in the Circular.

Having considered the 2025 Agreements, and the advice and opinion of, and the factors and reasons considered by the Independent Financial Adviser in relation thereto as set out on pages 49 to 86 of the Circular, we are of the opinion that (i) the 2025 Agreements (including the Annual Caps) are in the ordinary and usual course of business of the Company, on normal commercial terms and that the terms of the 2025 Agreements (including the Annual Caps) are fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) the transactions under the 2025 Agreements (including the Annual Caps) are in the interests of the Company and the Shareholders as a whole. We therefore recommend that you vote in favour of the resolutions to be proposed at the 2026 First EGM to approve the 2025 Agreements (including the Annual Caps) and the transactions contemplated thereunder.

Yours faithfully,
Mr. CHIA Yew Boon, Mr. LI Xuejin and Ms. LU Yao
Independent Board Committee

* *For identification purpose only*

The following is the text of the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

12 January 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

THE 2025 AGREEMENTS IN RELATION TO CERTAIN CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in relation to the 2025 Agreements (including the 2025 Business Arrangements Agreement, the 2025 Sales Agreement, the 2025 Purchase Agreement, and the 2025 Master Agreement) details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 12 January 2026 (the "**Circular**"), of which this letter forms a part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in the Circular.

As all of the 2022 Agreements (including the 2022 Business Arrangements Agreement, the 2022 Sales Agreement, the 2022 Purchase Agreement, and the 2022 Master Agreement) entered into between members of the Group and the Tongfang Group will expire on 31 December 2025, the relevant parties to each of the 2022 Agreements have agreed to continue with the arrangements under the relevant 2022 Agreement upon its expiry for a period of three years subject to similar terms and conditions by entering into the 2025 Agreements (including the 2025 Business Arrangements Agreement (as amended by the Supplemental Agreements), the 2025 Sales Agreement, the 2025 Purchase Agreement, and the 2025 Master Agreement) and set the Annual Caps for each of the 2025 Agreements (the "**Business Arrangement Caps**", the "**Sales Caps**", the "**Purchase Caps**", and the "**Miscellaneous Caps**", respectively).

As at the Latest Practicable Date, THTF directly and indirectly through Resuccess owns a total of 286,330,142 Shares, representing approximately 36.6% of the issued Shares of the Company. THTF is a controlling Shareholder and is therefore a connected person of the Company under the Listing Rules. Accordingly, the 2025 Agreements and the transactions contemplated under the 2025 Agreements between the Group and Tongfang Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For the transactions contemplated under the 2025 Business Arrangements Agreement, although no consideration will be paid by the Group to THTF in relation to such business arrangements, given that there will be payments between the Group and THTF and consistent with the treatment of the 2022 Business Arrangements Agreement, the Board considers it appropriate to subject such payments to the requirements for continuing connected transactions under Chapter 14A of the Listing Rules, and adopt the stated Business Arrangement Caps as the maximum transaction amounts for these transactions.

As one or more percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the transactions contemplated under each of the 2025 Agreements are greater than 5%, each of the 2025 Agreements and the transactions contemplated under these agreements are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2026 First EGM will be convened to seek the approval of each of the 2025 Agreements and the Annual Caps by the Independent Shareholders. In view of THTF's interest in the 2025 Agreements, THTF and its associates will abstain from voting in respect of the relevant resolutions at the 2026 First EGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Lu Yao, Mr. Chia Yew Boon and Dr. Li Xuejin, has been established to advise the Independent Shareholders in relation to the 2025 Agreements. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are not associated or connected with the Company, THTF or their respective associates, close associates or core connected persons and, accordingly, are considered eligible to give independent advice on the 2025 Agreements. In the last two years, saved for our engagement as the independent financial adviser to the independent board committee of the Company in relation to the Trust Loan Agreement and the IP Pledge Agreement as disclosed and defined in the circular of the Company dated 12 January 2026, there was no engagement between the Group and us. Apart from normal professional fees payable to us in connection with the aforementioned appointment and this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, THTF or their respective core associates, close associates or core connected persons.

In formulating our advice and recommendation, we have reviewed, among others, (i) the 2025 Agreements (including the 2025 Business Arrangements Agreement, the 2025 Sales Agreement, the 2025 Purchase Agreement, and the 2025 Master Agreement), (ii) the 2022 Agreements (including the 2022 Business Arrangements Agreement, the 2022 Sales Agreement, the 2022 Purchase Agreement, and the 2022 Master Agreement), (iii) the published financial reports of the Company, and (iv) the Circular. In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the "**Management**") and the respective professional advisers of the Company and have assumed that they are true, accurate and complete in all material aspects and in relation to any opinions to be honestly held at the time they were made and will remain, in relation to the facts to be true, accurate and

complete in all material aspects and in relation to any opinions to be honestly held, up to the date of the 2026 First EGM. We have also sought and received confirmation from the Group that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have, however, not conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the 2025 Agreements and the Annual Caps, we have taken into consideration the following principal factors and reasons:

1. Background information of the Group and the Tongfang Group

The Group

The Group is a leading integrated urban energy saving services provider, which concentrated on three major business segments, namely smart transportation, smart building and complex and smart energy, to drive the development of the urban integrated energy saving business capitalised on information and intelligence. It provides customers with smart energy management products, solutions and services throughout their full life cycle. The Company was incorporated in Singapore in 2005, whose shares are listed on the main board of the Stock Exchange since 27 October 2011.

Technovator Beijing is a wholly-owned subsidiary of the Company and is established in the PRC with limited liability. Technovator Beijing is principally engaged in the design, manufacturing and marketing of building automation solutions.

Tongfang Energy Saving is a wholly-owned subsidiary of the Company and is established in the PRC with limited liability. Tongfang Energy Saving is principally engaged in energy management services and marketing of heating power equipment.

The Tongfang Group

THTF, a controlling Shareholder of the Company, is a joint stock limited company established in the PRC, whose shares are listed and traded on the Shanghai Stock Exchange (上海證券交易所) (stock code: 600100) since June 1997. THTF and its subsidiaries are engaged in businesses in a number of sectors in the technology industry. The principal businesses of THTF cover the following six sectors: internet services and terminals, public security, intelligent city; energy

saving and environment protection, science park, and headquarters and investment. Its internet services and terminal sector includes business groups such as smart chips, hardware terminals and internet content services; its public security sector includes business groups such as security systems, national security and military industry; its intelligent city sector includes business groups such as internet of things; its energy saving and environment protection sector includes business groups such as building energy saving, industrial energy saving, semi-conductor lighting and water supply.

Financial performance of the Group

Set out below is the summary of the financial information of the Group for the years ended 31 December 2023 and 2024, and 30 June 2024 and 2025 as extracted from the 2024 Annual Report and the 2025 Interim Report:

	For the year ended 31 December		**For the six months ended 30 June**	
	2023	**2024**	**2024**	**2025**
	RMB'000 (Audited)	*RMB'000* (Audited)	*RMB'000* (Unaudited)	*RMB'000* (Unaudited)
Revenue				
– Revenue from smart transportation business	*467,056*	*435,196*	*93,261*	*93,397*
– Revenue from smart building and complex business	*822,510*	*720,259*	*220,216*	*246,297*
– Revenue from smart energy business	*548,444*	*673,778*	*199,095*	*325,779*
	1,838,010	**1,829,233**	**512,572**	**665,473**
Gross profit	169,323	145,193	56,085	121,080
Loss from operations	(91,222)	(286,240)	(75,247)	(5,725)
Loss for the year/period attributable to equity shareholders of the Company	**(100,964)**	**(265,908)**	**(69,557)**	**(6,492)**

For the six months ended 30 June 2024 and 2025

The Group's revenue increased by approximately 29.8% from approximately RMB512.6 million for the six months ended 30 June 2024 to approximately RMB665.5 million for the six months ended 30 June 2025. As disclosed in the 2025 Interim Report, the smart energy business recorded revenue of approximately RMB325.8 million for the six months ended 30 June 2025, representing an increase of 63.6% from approximately RMB199.1 million for the six months ended 30 June 2024. 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. In overall, 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.

The Group's gross profit increased by approximately 115.9% from approximately RMB56.1 million for the first six months of 2024 to approximately RMB121.1 million for the first six months of 2025. Gross profit margin has also increased by 7.3 percentage points to 18.2% for the six months ended 30 June 2025, mainly due to the higher gross profit margin of contractual energy management projects, which improved the overall gross margin.

For the six months ended 30 June 2025, the Group recorded a loss attributable to equity shareholders of the Company of approximately RMB6.5 million, representing a decrease of approximately 90.7%. As disclosed in the 2025 Interim Report, such decrease in losses were mainly attributable to the factors of (i) the increase of revenue and gross profit as mentioned above; (ii) the decrease of selling and distributions costs; and (iii) the decrease of impairment loss on trade and other receivables and contract assets, and partially offset by the increase of administrative and other operating expenses.

For the two years ended 31 December 2023 and 2024

The Group's revenue decreased by approximately 0.5% from approximately RMB1,838.0 million for the year ended 31 December 2023 to approximately RMB1,829.2 million for the year ended 31 December 2024. As disclosed in the 2024 Annual Report, the smart energy business recorded revenue of approximately RMB673.8 million for the year ended 31 December 2024, representing an increase of 22.9% from approximately RMB548.4 million for the year ended 31 December 2023. The significant revenue growth in this business was mainly attributable to the Group's technological innovation and market expansion in the heating supply sector. The smart transportation business achieved a revenue of approximately RMB435.2 million in 2024, representing a decrease of 6.8% from approximately RMB467.1 million for the year ended 31 December 2023, mainly affected by the rescheduling of the tendering process and the delayed commencement of works by some owners. The smart building and complex business recorded a revenue of approximately RMB720.3 million for the year ended 31 December 2024, representing a decrease of 12.4% from approximately RMB822.5 million in 2023, mainly attributable to the challenge brought about by the prolonged contraction in investment in its target markets.

The Group's gross profit decreased by approximately 14.2% from approximately RMB169.3 million for the year ended 31 December 2023 to approximately RMB145.2 million for the year ended 31 December 2025. Gross profit margin has also decreased by 1.3 percentage points to 7.9% in 2024, mainly due to the backdrop of intensifying industry competition, the Group has optimised its market strategy and layout to enhance its long-term competitive edges in the market to ensure its long-term development goal, which resulted in a certain degree of decline in the overall gross profit margin.

For the year ended 31 December 2024, the Group recorded a loss attributable to equity shareholders of the Company of approximately RMB265.9 million, representing an increase of approximately 163.4% as compared to that for the year ended 31 December 2023. Such increase in losses were mainly attributable to the factors of (i) the decrease of revenue and gross profit as mentioned above; and (ii) the increase of impairment loss on trade and other receivables and contract assets.

Financial position of the Group

Set out below is the summary of the financial position of the Group as at 31 December 2023 and 2024, and 30 June 2025 as extracted from the 2024 Annual Report and 2025 Interim Report:

	As at 30 June 2025	**As at 31 December**	
		2024	**2023**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Audited)*	*(Audited)*
Total assets	5,297,373	5,568,922	5,548,326
Total liabilities	2,672,160	2,935,956	2,649,793
Total equity attributable to equity shareholders of the Company	2,607,178	2,613,760	2,880,190

As at 30 June 2025, the Group's total assets amounted to approximately RMB5,297.4 million, mainly comprised of (i) trade and other receivables of approximately RMB1,595.2 million; (ii) inventories of approximately RMB1,365.1 million; (iii) contract assets of approximately RMB937.7 million; (iv) intangible assets of approximately RMB538.4 million; and (v) financial assets measured at amortised cost of approximately RMB500.3 million.

As at 30 June 2025, the Group's total liabilities amounted to approximately RMB2,672.2 million, mainly comprised of (i) trade and other payables of approximately RMB2,144.3 million; and (ii) loans and borrowings of approximately RMB306.4 million; and (iii) contract liabilities of approximately RMB126.7 million.

As at 30 June 2025 and 31 December 2024, the Group's total equity attributable to equity shareholders of the Company amounted to approximately RMB2,607.2 million and RMB2,613.8 million, respectively, remained relatively steady. In our view, based on the above analysis, the Group has retained a satisfactory financial position.

2. The 2025 Business Arrangements Agreement (as amended by the Supplemental Agreement)

2.1 Background of, reasons for and benefits of the 2025 Business Arrangement Agreement

Following the completion of the acquisition of the Intelligent Rail Transit, Building and Urban Heating Network Businesses from THTF in October 2015, the Group entered into the 2017 Business Arrangements Agreement and renewed such agreement by entering into the 2019 Business Arrangements Agreement and 2022 Business Arrangements Agreement to facilitate the development of the acquired businesses and to integrate these businesses into the Group. Pursuant to the aforesaid agreements, (i) to the extent that any sales or project contract of the Intelligent Rail Transit, Building and Urban Heating Network Businesses entered into by THTF are not capable to be assigned to the Group, THTF will continue to act as the party to such agreements, and will transfer any payments it receives from the relevant customers of these businesses to the Group without any additional charges; and (ii) for new sales or project contracts that it is necessary or desirable for THTF to be a contracting party, THTF may cooperate with the Group in the performance of such contracts for the relevant customers, and transfer any payments it receives from the relevant customers of the Intelligent Rail Transit, Building and Urban Heating Network Businesses to the Group without any additional charges. As the 2022 Business Arrangements Agreement will expire on 31 December 2025, the relevant parties to each of the 2022 Agreements have agreed to continue with the arrangements under the relevant 2022 Agreement upon its expiry for a period of three years under similar terms by entering into the relevant 2025 Agreement.

Since the completion of the acquisition of the Intelligent Rail Transit, Building and Urban Heating Network Businesses in October 2015, the Group has continued to establish and expand its presence in the market for the Intelligent Rail Transit, Building and Urban Heating Network Businesses. Nevertheless, some customers still wish to continue to deal with THTF due to their history of dealings with THTF. Besides, given the relevant qualifications, licenses and projects performance in the past are still unavoidable bidding requirements for the Intelligent Rail Transit, Building and Urban Heating Network Businesses, the Group can avoid loss of potential business opportunities with the assistance from THTF by way of the arrangements under the 2025 Business Arrangements Agreement, while continuing to improve its own qualifications and build up the Group's presence and name. The Directors believe the arrangements under the 2025 Business Arrangements Agreement continue to be an integral part of the operations of the Intelligent Rail Transit, Building and Urban Heating Network Businesses.

The Company has continued to deploy different strategies when negotiating with existing and new customers in relation to projects in the Intelligent Rail Transit, Building and Urban Heating Network Businesses. For existing customers, the Company has been educating these customers to contract with the Group directly so as to reduce the transactions through THTF. As for the new customers,

the Group believes it is important to first secure the contracts of these new customers in which THTF and the Group have no past business relationship with. The Group's strategy is to allow THTF to contract with these new customers first if such new customers prefer to contract with THTF since THTF has a long operating history in the industry and has built its reputation. In the future, the Group will continue to invest additional time to educate new customers to directly engage the Group whilst the Group continues to accumulate its operating experience, presence and name in the industry.

In terms of procurement of materials and services by the Group from suppliers through THTF, such procurements by THTF on behalf of the Group under the 2025 Business Arrangements Agreement are all raw materials, products, and services required for the Nominee Projects. According to the contract terms of such Nominee Projects, the purchaser of such materials and services must be the contracting party of the Nominee Projects, namely THTF. The Group cannot procure such items directly under its own name. As for the transfer from the Group to THTF, those transfers are to facilitate the settlement of the debts related to the Nominee Projects, which are for the payments to the suppliers for the procurement of raw materials, products and services by the Group for the Nominee Projects that THTF has procured for the Group in order for the Group to provide the services to the Nominee Projects. Furthermore, THTF is not entitled to any additional charge for these payments or procurement.

THTF is in name the legal debtor for the debts of the Nominee Projects, which have not been assumed by the Group. All the debts as at 30 June 2025 arise from the requests and needs of the Group in order to procure raw materials, products and services for the Nominee Projects and are the Group's costs of sales in order to generate the revenue. Therefore, if THTF has to settle any debts on behalf of the Group for the Nominee Projects, the Group has to reimburse THTF for any amount settled for these debts.

Having considered that (i) the renewal of the 2025 Business Arrangements Agreement is expected to facilitate the Company to retain existing clients and secure new potential clients; (ii) the Group has the right but not the obligations to require THTF to enter into contracts with customers to capture business opportunities which are otherwise less likely to be secured by the Group; and (iii) the payments from the Group to THTF is for the reimbursement for the payments to suppliers that THTF has procured for the Group in relation to the Nominee Projects and THTF will not be entitled to any additional fees or compensation, we consider the entering into of the 2025 Business Arrangements Agreement is in the interests of the Group and the Shareholders as a whole.

2.2 *Principal terms of the 2025 Business Arrangements Agreement (as amended by the Supplemental Agreement)*

On 4 December 2025, the 2025 Business Arrangements Agreement was entered into between subsidiaries of the Company, namely, Technovator Beijing and Tongfang Energy Saving, and THTF in relation to the business arrangements for the Intelligent Rail Transit, Building and Urban Heating Network Businesses for a term of three years from 1 January 2026 to 31 December 2028. On 8 January 2026, parties to the 2025 Business Arrangements Agreement signed the Supplemental Agreement in relation to further amendments to the terms of pricing principles under the 2025 Business Arrangements Agreement.

As confirmed by the Directors and based on our review of the terms of each of the 2022 Business Arrangements Agreement and the 2025 Business Arrangements Agreement, save for the term and the revision of the annual caps, the principal terms of the 2025 Business Arrangements Agreement are the same as compared to the principal terms of the 2022 Business Arrangements Agreement. Detailed terms of the 2025 Business Arrangements Agreement are set out in the Letter from the Board. The following sets forth a summary and our analysis of the principal terms of the 2025 Business Arrangements Agreement.

Subject matter

(i) For the Nominee Projects which THTF continues to use its name for entering into such contracts and/or projects of the Intelligent Rail Transit, Building and Urban Heating Network Businesses that the legal rights and obligations of which cannot be directly transferred to the Group, THTF will assign, sub-contract, delegate or in any other way the parties may mutually agree so that the Group will assume these contracts. The Group will be responsible for performing the work required by the Nominee Projects and entitled to the income from the Nominee Projects. To the extent that the legal rights of THTF under the contracts in respect of any Nominee Projects have not been assigned to the Group, or for any other reasons THTF receives any payment from the customers of any Nominee Projects for any income generated, THTF is required to pay such amount to the Group no later than the balance sheet date of the month in which such amount is received without any additional compensation. THTF undertakes to assist the Group to take up the Nominee Projects without any additional compensation, including but not limited to providing any necessary information to the Group and handling the relevant project completion and settlement procedures as necessary;

(ii) If debtors of the Nominee Projects settle debts by paying THTF, THTF is required to pay such amount to the Group no later than the balance sheet date of the month in which such amount is received without any additional compensation;

(iii) THTF will act as the party to supply contracts to procure materials or services from third party suppliers for the Nominee Projects and will procure the necessary materials and services from the relevant third party suppliers for the Group upon instruction by the Group, and the Group is required to reimburse THTF for the amount paid by THTF;

(iv) THTF agrees that for the debts which are part of the liabilities of the Nominee Projects that have not been assumed by the Group as the consent from the creditors has not been obtained, THTF will continue to satisfy such debts. In the event that THTF is required to settle such debt with the relevant third party creditors, the Group is required to reimburse THTF for such amount no later than the balance sheet date of the month in which such amount is paid by THTF; and

(v) THTF will continue to support the Group on the continual development and expansion of the Intelligent Rail Transit, Building and Urban Heating Network Businesses. THTF agrees to provide support and cooperation for the Group for the Intelligent Rail Transit, Building and Urban Heating Network Businesses upon reasonable request from the Group including cooperating with the Group to develop new projects and business opportunities in respect of these businesses, being a party to the relevant agreements to facilitate the Group's conducting of the these businesses if necessary, and providing the required information and assistance to complete the relevant projects, in manners similar to the support to be provided by THTF as set out in paragraphs (i) to (iv) above. Such new sales, procurement or project contracts if to be signed by THTF, all of the terms shall be negotiated by the Group.

Pricing and payment

THTF will transfer any payments it receives from the relevant projects to the Group without any additional charges, and the full amount received by THTF from third party customers will be transferred to the Group, no later than the balance sheet date of the month in which such amount is received.

THTF will also not be entitled to any additional fees or compensation for settling debts with third party creditors under the 2025 Business Arrangements Agreement, the Group is required to reimburse THTF for the full amount of such payments no later than the balance sheet date of the month in which such amount is paid by THTF.

For new sales contracts which THTF intends to sign as a party in accordance with the requirements of the Group, the pricing of such contracts will be determined based on the price range agreed upon in the past with third-party customers for providing same or similar services and/or selling same or similar products in projects related to the subject businesses, or based on the price range agreed upon in at least two projects over the past 12 months for providing same or similar services and/or selling same or similar products.

For the supply contracts in relation to purchase of materials and/or procurement of services by THTF from third-party suppliers in accordance with the requirements of the Group, the pricing of such contracts will be determined based on the price range paid in at least two transactions over the past 12 months for purchasing same or similar materials and/or procuring same or similar services related to the subject business.

In accordance with relevant internal control policies of the Group, the sales department of the Group will be primarily responsible for determining the terms of bids on projects and negotiating the terms of sales contracts with the customers of the Nominee Projects, and the procurement department of the Group will be primarily responsible for preparing or negotiating supply contracts with the suppliers of the Nominee Projects, both of which will be subject to review by the other business functions of the Group, including the finance department and operation departments. After the form of the draft contracts and the proposed terms are determined, having taken into account the input from the relevant departments at the Intelligent Rail Transit, Building and Urban Heating Network Businesses and the result of negotiation with the third party customers or suppliers, such contracts will require the approval of the general manager of the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses before the respective Intelligent Rail Transit, Building and Urban Heating Network Businesses request and instruct THTF to enter into such contracts. To safeguard the entering into of the new sales or supply contracts to which THTF will act as the party, the Group will only recognize contracts (including any amendments thereto) the forms of which have been approved by the Group in writing as subject to the 2025 Business Arrangements Agreement.

As discussed with the Management, since the sales contracts and supply contracts are project-based, the scope of services and/or products supplied/purchased will not be identical to other previous projects of the Intelligent Rail Transit, Buildings and Urban Heating Network Business, it is unlikely to have many similar projects in a short period of time which can be taken as a reference of contract price. The price ranges of at least two similar projects over the past 12 months will be served as an indication of new contract price which is still subject to adjustment by the Group after considering the project size, project duration, payment terms, credit of customers or suppliers, project location, and other specific requirements from the customers or suppliers. Nevertheless, we have selected, on random basis,

three sample sales contracts and three sample supply contracts under the 2022 Business Arrangements Agreements in which THTF had entered into with Independent Third Parties on behalf of the Group, and compared the terms with the terms of contracts for products/services of similar nature offered by/to the Group to/from Independent Third Parties. From our review and discussion with the Management, we noted that the principal terms of the sample contracts under the 2022 Business Arrangements Agreements are generally no less favourable to the Group than those offered by/to the Group to/from Independent Third Parties for products/services of similar nature, taking into account project-specific factors as mentioned above.

Having considered (i) the prices for new sales contracts or supply will be negotiated directly between the Group and customers or suppliers who are Independent Third Parties and THTF takes a passive role under the 2025 Business Arrangements Agreement; (ii) THTF will only act as the party of the sales contracts and supply contracts in relation to the Nominee Projects under the instructions of the Group and will not be entitled to any additional fees or compensation for any transactions between the Group and THTF under the 2025 Business Arrangements Agreement; (iii) the pricing basis for the Nominee Projects under the 2025 Business Arrangements Agreements are the same with the pricing basis for other projects signed under the name of the Group, which are determined based on the Group's internal pricing policy and the terms of the sample contracts were generally no less favourable to the Group than those offered by/to the Group to/from Independent Third Parties for products/services of similar nature, taking into account project-specific factors; and (iv) certain internal control measures are in place for the Intelligent Rail Transit, Building and Urban Heating Network Businesses regarding the pricing and payment terms under the 2025 Business Arrangements Agreement (as mentioned in section headed *"6. Internal Control Measures"* below), we are of the opinion that the terms of the 2025 Business Arrangements Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

2.3 The Business Arrangement Caps

Historical transaction amount and existing annual caps

The table below sets forth (i) the actual aggregate amount of payments transferred by THTF to the Group, and (ii) the payments transferred by the Group to THTF under the 2022 Business Arrangements Agreement for the years ended 31 December 2023 and 2024 and the eleven months ended 30 November 2025, and their respective existing annual caps and utilisation rates:

	For the year ended 31 December		For the year ending 31 December
	2023	2024	2025
	RMB million	*RMB million*	*RMB million*
Payments transferred by THTF to the Group:			
Historical amounts	681.42	661.77	531.76*(Note)*
Existing annual caps	1,200.00	1,260.00	1,160.00
Utilisation rate	*56.8%*	*52.5%*	*45.8%(Note)*
Payments transferred by the Group to THTF:			
Historical amounts	371.17	513.69	378.75*(Note)*
Existing annual caps	980.00	1,030.00	950.00
Utilisation rate	*37.9%*	*49.9%*	*39.9%(Note)*

Note: The transaction amounts for the year ending 31 December 2025 represented the transaction amounts for the eleven months ended 30 November 2025.

The Business Arrangements Caps

The table below sets out the Business Arrangements Caps for each of the years ending 31 December 2026, 2027 and 2028:

	For the year ending 31 December		
	2026	2027	2028
	RMB million	*RMB million*	*RMB million*
Payments transferred by THTF to the Group	930	960	970
Payments transferred by the Group to THTF	850	880	880

As set out in the Letter from the Board, in arriving at the above Business Arrangements Caps, the Company has taken into account the following:

(i) Sales data:

Sales data of the Intelligent Rail Transit, Building and Urban Heating Network Businesses, including the contract price of the existing projects, contracts in negotiation and bidding of projects participated by the Intelligent Rail Transit, Building and Urban Heating Network Businesses, and estimated growth for each of the businesses (as further detailed in paragraph (vi) below);

(ii) Business expansion of energy-saving products:

The Group is implementing a "Core Technology Productization" strategy to drive growth through standardized products and enhance independent profitability. Building on its smart city heating network business, the Group will expand industry software productization – leveraging its proprietary "Kunlun (昆侖)" digital platform and AI integration – and extend applications to sectors such as smart healthcare and smart campuses. At the same time, as a leading urban energy service provider, the Group will develop integrated energy solutions and promote high-end energy-saving equipment, including absorption heat pumps, to external markets. This strategy is expected to optimize the Group's revenue structure and reduce reliance on Tongfang;

(iii) Historical pattern of payments of contract prices by the Intelligent Rail Transit, Building and Urban Heating Network Businesses' customers:

The amount of fees to be received by the Group from third party customers through THTF during each year is determined with reference to the historical pattern of payments of contract prices, including seasonality and proportions of payments in each year, and a proportion of the aggregate amount under the subsisting Nominee Projects and anticipated new projects is allocated to each year at a certain percentage, representing the estimated amount of payment received by the Group each year;

(iv) Historical cost of sales of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:

The historical cost of sales of the Intelligent Rail Transit, Building and Urban Heating Network Businesses as a percentage of revenue received each year is used to approximate the amount of payments that the Group will pay to THTF to settle debts with third party creditors by reference to the amount of contract price it will receive for the given year;

(v) Trends of the gross profit margin of each of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:

The cost of sales of the Intelligent Rail Transit, Building and Urban Heating Network Businesses as a percentage of revenue received each year (as mentioned in paragraph (iv) above) is determined based on the historical gross profit margins of the Intelligent Rail Transit, Building and Urban Heating Network Businesses and taking into account the prevailing trend of such gross profit margins. The projected

cost of sales is used to estimate the amount of payables to be settled under the Nominee Projects by the Group; and

(vi) Expected growth of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:

The assumed growth rate of the total contract price for each year is based on the historical and expected growth rates of the Intelligent Rail Transit, Building and Urban Heating Network Businesses, taking into account industry trends and macroeconomic factors, coupled with the Group's targeted growth rate.

Our assessment of the Business Arrangements Caps

We have obtained and reviewed the underlying calculation provided by the Management in determining the Business Arrangements Caps. From our review, we noted that the proposed Business Arrangements Caps in relation to the payments to be transferred by THTF to the Group mainly represents the cash amounts to be received by the Group from THTF in relation to the Nominee Projects, whilst the proposed Business Arrangements Caps in relation to the payments to be transferred by the Group to THTF mainly represents the reimbursement by the Group for the payments to suppliers for the procurement of raw materials, products and services that THTF has procured for the Group in relation to the Nominee Projects.

Payments from THTF to the Group

As noted from the underlying calculation provided by the Management in determining the Business Arrangements Caps, we noted that the payments from THTF to the Group under the 2025 Business Arrangements Caps were determined based on the estimated sales of the Intelligent Rail Transit, Building and Urban Heating Network Businesses of the Group during the three years ending 31 December 2028 and the expected proportion of such sales attributable to Nominee Projects. Based on the underlying calculation in determining the Business Arrangement Caps, the expected proportion of the Group's sales attributable to Nominee Projects is approximately 43.1%, 43.1% and 43.1% for the year ending 31 December 2026, 2027 and 2028, respectively. The Management then further estimated the payments to be transferred from THTF to the Group taking into account the expected payment schedule and patterns of the Nominee Projects.

We noted that the estimated sales amount of Intelligent Rail Transit Business, Intelligent Building Business and Intelligent Urban Heating Network Business, was assumed to have a compound annual growth rate (CAGR) of 5.06% during the three years ending 31 December 2028. In assessing the reasonableness of the assumed growth rates for each of the businesses, we have conducted research on relevant industries in China. Regarding Intelligent Rail Transit Business, we noted that " Guidance Opinions of the China Urban Rail Transit Association on Promoting the Financial Sustainable Development of Urban Rail Transit Enterprises" (中國城市軌道交通協會關於促進城市軌道交通企業財務可持續發展的指導意見)[1] has been released on 7 March 2025, emphasizes the importance of conducting in-depth cooperation in areas such as industrial collaborative development and technological innovation. It calls for continuously strengthening and supplementing the upstream and downstream industrial chains in urban rail transit, while building a comprehensive industrial chain of productive services that includes, among others, intelligent systems and intelligent operation and maintenance.

Regarding Intelligent Building Business, we noted that on 31 October 2025, the China's National Development and Reform Commission (NDRC) has published "Action Plan for Promoting Full-Domain Digital Transformation in Cities" (深化智慧城市發展推進全域數字化轉型行動計劃)[2]. It outlines a comprehensive strategy to accelerate smart city development through digital technologies, with specific emphasis on smart buildings as part of broader urban infrastructure upgrades. Key initiatives include promoting green intelligent building construction, integrating building information modeling for urban management, and exploring the use of embodied intelligent robots in communities and households. The plan also calls for digital transformation of building-related infrastructure like utilities and parking facilities, alongside developing smart communities and property management systems.

In addition, based on the database of the China Energy Storage Alliance (CNESA)[3], by the end of September 2025, China's new energy storage installed capacity had reached 103 GW, over 30 times higher than at the end of the 13th Five-Year Plan, accounting for more than 40% of the global total, ranking first in the world. According to the "Special Action Plan for Large-Scale Construction of New Energy Storage"《新型儲能規模化建設專項行動方案(2025 – 2027年)》[4], the installed capacity of new energy storage in China will exceed 180 GW in 2027, driving approximately RMB250 billion direct project investments.

1 http://www.chinaiut.com/gdjt/113770.html

2 https://www.ndrc.gov.cn/xxgk/zcfb/tz/202510/t20251031_1401297.html

3 https://en.cnesa.org/latest-news/2025/11/10/thirtyfold-growth-in-five-years-from-china-to-the-world-new-energy-storage-unlocks-a-trillion-yuan-market

4 https://www.ndrc.gov.cn/xxgk/zcfb/tz/202509/t20250912_1400425.html

Payments from the Group to THTF

Based on our review of the underlying calculation provided by the Management in determining the Business Arrangements Caps, we noted that the payments to be made by the Group to THTF for the three years ending 31 December 2025 were estimated mainly based on the estimated gross profit margin of the Nominee Projects, which was in turn based on the historical average gross profit margin of the Nominee Projects in the year ended 31 December 2024. As advised by the Management, the overall gross profit margin of the Intelligent Rail Transit, Building and Urban Heating Network Businesses is expected to remain at a similar level for the three years ending 31 December 2028.

The Group's business principally covers three segments, including Intelligent Rail Transit Business, Intelligent Building Business, Intelligent Urban Heating Network Business, while the Intelligent Rail Transit, Building and Urban Heating Network Businesses generate revenue to each of these segments, depending on the contract. As such, the overall gross profit margin of the Intelligent Rail Transit, Building and Urban Heating Network Businesses is in close proximity to the Group's overall gross profit margin. We have reviewed the annual report of the Company for the year ended 31 December 2024, and noted that the gross profit margins of the Group amounted to approximately 7.9%, which is comparable to the gross profit margin of Nominee Projects.

Based on the above, we are of the view that the basis and assumptions used by the Management in determining the proposed Business Arrangements Caps are fair and reasonable.

Based on the above, we are of the view that the 2025 Business Arrangements Agreement (including the Business Arrangements Caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

3. The 2025 Sales Agreement

3.1 Background of, reasons for and benefits of the 2025 Sales Agreement

Pursuant to the 2025 Sales Agreement, the Group agreed to sell or procure such other parties agreed by THTF, including members of the Group, to sell intelligent energy saving related products, equipment and services, which include control security systems, fire alarm systems and energy saving equipment, to the Tongfang Group.

As disclosed in the Letter from the Board, the Directors believe that maintaining the sales of goods to Tongfang Group has a positive contribution to the operating revenue of the Group, and that Tongfang Group has proven to have a good track record in settling the trade payables to the Group in a timely manner. The Group has benefited from working with Tongfang Group in the past and Tongfang Group's businesses are important to the Group.

As the sales of products and provision of services by the Group to Tongfang Group pursuant to the 2025 Sales Agreement (i) are in the ordinary course of business of the Group; (ii) are expected to generate revenue for the Group; and (iii) are on normal commercial terms (as discussed in the section headed *"3.2 Principal terms of the 2025 Sales Agreement"* below), we are of the opinion that the entering into of the 2025 Sales Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

3.2 Principal terms of the 2025 Sales Agreement

On 4 December 2025, the 2025 Sales Agreement was entered into between subsidiary of the Company, namely, Technovator Beijing, and THTF, pursuant to which Technovator Beijing agreed to sell or procure such other parties agreed by THTF, including members of the Group, to sell intelligent energy saving related products, equipment and services, which include control security systems, fire alarm systems and energy saving equipment, to the Tongfang Group for a term of three years from 1 January 2026 to 31 December 2028.

As confirmed by the Directors and based on our review of the terms of each of the 2022 Sales Agreement and the 2025 Sales Agreement, save for the term and the revision of the annual caps, the principal terms of the 2025 Sales Agreement are the same as compared to the principal terms of the 2022 Sales Agreement. Detailed terms of the 2025 Sales Agreement are set out in the Letter from the Board. The following sets forth a summary and our analysis of the principal terms of the 2025 Sales Agreement.

Consideration and payment

When negotiating the price, the Group will make reference to the following factors:

(i) the prevailing market rate determined based on:

(a) the price of similar products used in similar scale and nature of projects offered by the Group and accepted by Independent Third Party customers (the "**Comparable Sales Transactions**") during a period of 12 months prior to the relevant transaction with Tongfang Group (the "**12-Month Sales Period**") (if any), including but not limited to the most recent relevant transactions offered by the Group and accepted by Independent Third Party customers; and

(b) if there are no Comparable Sales Transactions within the 12-Month Sales Period, the price of similar products used in similar scale and nature of products offered by the Group and accepted by Independent Third Party customers any time prior to the 12-Month Sales Period, including but not limited to the most recent relevant transactions offered by the Group and accepted by Independent Third Party customers and taking into account the latest market and independent supplier information available to the Group at time of the relevant transaction with the Tongfang Group;

(ii) length of the contracts; and

(iii) the type, design and expected costs of the products.

The Group maintains a standardised price list applicable to all customers. The standardised prices of products are determined based on cost-plus pricing with a mark-up rate of usually not less than 20%, taking into account (i) for self-produced products, the production cost; or (ii) for procured products, the procurement cost, and are reviewed and adjusted by the product management department from time to time with reference to changes in the market prices of similar products offered by the Group's competitors. For ancillary services provided in connection with the products, the standardised service fee is set at a percentage, usually 12%, of the quoted product price. After due consideration of the above factors, the sales department will, based on the price as stated in the Group's standardised price list, determine the final quotation price and discount after considering additional factors such as the scale of the contract and the payment terms.

In any event, the price offered to Tongfang Group should be no less favourable to the Group than that offered by the Group to Independent Third Party customers for products of a similar type, scale and nature of projects and length of contracts.

The payment terms for the products will be set out in separate sales contracts, shall be on normal commercial terms, and determined with reference to prevailing market practices.

Depending on the product type, scale and length of contracts, the payment term may include a deposit and/or instalments which may be payable at the completion of different stages of the contract or after certain deliverables are available or after certain milestones are reached.

In any event, the payment terms should be no less favourable to the Group than those offered by the Group to Independent Third Party customers for products of a similar type, scale and length of contracts.

As an active market participant, the Group will through market analysis, market research, feedback from customers and interactions with other market participants obtain sufficient market intelligence to enable them to ascertain the prevailing market rate and practices as well as the latest market and competitor information at any point in time. The Company will also continue to take steps to keep themselves abreast of market developments through maintaining a team of experienced sales and marketing personnel focusing on different regions and cities throughout the PRC.

We have selected, on random basis, three sample sales contracts under the 2022 Sales Agreement and compared the terms to the terms of comparable sales contracts for products/services of similar nature. From our review, we noted that the principal terms of the sample sales contracts between the Group and the Tongfang Group are generally no less favourable to the Group than those comparable contracts for products/services of similar nature.

Based on the above, we are of the opinion that the principal terms of the 2025 Sales Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

3.3 The Sales Caps

Historical transaction amount and existing annual caps

The table below sets forth the sales amount of the products and services sold by the Group to the Tongfang Group during the years ended 31 December 2023 and 2024 and the eleven months ended 30 November 2025, and their respective existing annual caps and utilisation rates:

	For the year ended 31 December		For the year ending 31 December
	2023	2024	2025
	RMB million	*RMB million*	*RMB million*
Historical amounts	217.37	257.27	288.77*(Note)*
Existing annual caps	420.00	460.00	510.00
Utilisation rate	*51.8%*	*55.9%*	*56.6%(Note)*

Note: The transaction amount for the year ending 31 December 2025 represented the transaction amount for the eleven months ended 30 November 2025.

The Sales Caps

The table below sets out the Sales Caps for each of the years ending 31 December 2026, 2027 and 2028:

	For the year ending 31 December		
	2026	2027	2028
	RMB million	*RMB million*	*RMB million*
Sales amount from the Group to the Tongfang Group	310	310	320

As set out in the Letter from the Board, in arriving at the above Sales Caps for the years ending 31 December 2026, 2027 and 2028, the Company has taken into account, among other things, the following:

(i) Historical transaction amount:

The historical sales amount that the Group sold to Tongfang Group under the previous sale agreements and the historical patterns, including seasonality and proportions of payment each year;

(ii) Forecasted sales amount:

The forecasted sales amount based on discussions with Tongfang Group taking into account new contracts and projects in the pipeline, including the expected business growth of Tongfang Group for the years ending 31 December 2026, 2027 and 2028. The growth for the sales to Tongfang Group also takes into account the targeted growth rate of the Group;

(iii) Trends of gross profit margin of products and services:

The expected gross profit margin of products and services of the Group based on historical patterns and the targeted gross profit margin of the Group. The expected gross profit margin is used to estimate the future prices of the products and services to be provided by the Group; and

(iv) Expected growth of the Intelligent Rail Transit, Building and Urban Heating Network Businesses:

The expected growth rate of the total contract price for each year is based on the historical and projected growth rates of the Intelligent Rail Transit, Building and Urban Heating Network Businesses, taking into account industry trends and macroeconomic factors, coupled with the Group's targeted growth rate.

Our assessment of the Sales Caps

From our review of the underlying calculation from the Management in determining the proposed Sales Caps, we noted that the Sales Caps was mainly determined with reference to the forecasted sales amount of the Group for the three years ending 31 December 2028, taking into account the historical transactions under the 2022 Sales Agreement and the expected gross profit margin of the Group for the three years ending 31 December 2028.

We have reviewed the annual reports of the Group for the four years ended 31 December 2024 and noted that the estimated sales under the 2025 Sales Agreement as a percentage of the estimated total sales of the Group for the three years ending 31 December 2028, which was assumed to remain stable. As advised by the management, the percentage of the estimated total sales of the Group for the three years ending 31 December 2028 is higher than such percentage for each of the two years ended 31 December 2024, mainly due to the expected increase in subsidiaries of the Tongfang Group which will procure products from the Group under the 2025 Sales Agreement. We have reviewed the underlying assumptions and basis of the estimated sales of the Group for the three years ending 31 December 2028 and are of the view that the same are fair and reasonable. Please refer to the section headed *"Our assessment of the Business Arrangements Caps"* above for the details of our analysis on the estimated sales.

In relation to the expected gross profit margin, we have reviewed the annual report of the Company for the year ended 31 December 2024 and the interim report of the Company for the six months ended 30 June 2025, and noted that the gross profit margin of the Group was approximately 9.2%, 7.9% and 18.2% for 2023, 2024 and the six months ended 30 June 2025, respectively. As noted from the underlying calculation in determining the Annual Caps, it

is expected that the gross profit margin of the Group would remain at a relatively lower level, similar to the average gross profit margin for the three years ending 31 December 2024, during the three years ending 31 December 2028.

Based on the above, we are of the view that the basis and assumptions used by the Management in determining the proposed Sales Caps are fair and reasonable.

Based on the above, we are of the view that the 2025 Sales Agreement (including the Sales Caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

4. The 2022 Purchase Agreement

4.1 Background of, reasons for and benefits of the 2022 Purchase Agreement

As disclosed in the Letter from the Board, the Directors believe that the Group's choice to purchase relevant products from THTF is reasonable and necessary, as detailed below:

First, the Group can ensure the stability of the supply chain. The relevant products purchased by the Group from THTF have long served and supported the business development of the Group. THTF has performed well in controlling delivery schedules and maintaining product quality stability, effectively ensuring continuity and reliability of product supply.

Second, the products and related services are highly compatible. The products and related services provided by THTF, in terms of intellectual property protection, quality standards, technical parameters, and management systems, are better aligned with the Group's technology transfer processes and manufacturing procedures. Furthermore, THTF can provide customized manufacturing solutions tailored to the special technical requirements of the Company.

Third, the cooperation offers significant win-win advantages. The favorable synergy between the Group and THTF has effectively reduced the intermediate costs of the Group's external transactions. Thus, the Group is capable of offering more cost-effective related products to the market, expanding its market scale and simultaneously increasing the Group's revenue.

Fourth, it is in line with the Group's overall strategic positioning, reflecting not only economic rationality but also supporting the Group's long-term strategic development plan, thereby effectively enhancing the Group's competitiveness.

Given that (i) the 2025 Purchase Agreement does not restrict the Group from purchasing the products/services under the 2025 Purchase Agreement from other suppliers; (ii) the Group has been purchasing from Tongfang Group historically which Tongfang Group has proven to be a reliable supplier to the Group at competitive prices; the procurements of products and services by the Group from Tongfang Group are related to the projects to be undertaken by the Group which are principal businesses of the Group; and (iv) the terms of the 2025 Purchase Agreement are on normal commercial terms (as discussed in the section headed *"4.2 Principal terms of the 2025 Purchase Agreement"* below), we are of the opinion that the entering into of the 2025 Purchase Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

4.2 Principal terms of the 2025 Purchase Agreement

On 4 December 2025, the 2025 Purchase Agreement was entered into between Technovator Beijing, a wholly-owned subsidiary of the Company, and THTF, pursuant to which THTF agreed to sell or procure such other parties agreed by Technovator Beijing, including members of the Tongfang Group, to sell wiring, lighting and other products, equipment and systems and services relating to the Group's business of energy management, energy saving and environmental protection to the Group for a term of three years from 1 January 2026 to 31 December 2028.

As confirmed by the Directors and based on our review of the terms of each of the 2022 Purchase Agreement and the 2025 Purchase Agreement, save for the term and the revision of the annual caps, the principal terms of the 2025 Purchase Agreement are the same as compared to the principal terms of the 2022 Purchase Agreement. Detailed terms of the 2025 Purchase Agreement are set out in the Letter from the Board. The following sets forth a summary and our analysis of the principal terms of the 2025 Purchase Agreement.

Consideration and payment

The price of such goods and services supplied by Tongfang Group to the Group will be determined based on normal and commercial terms after arm's length negotiations, with reference to the prevailing market price of similar goods and services at the time of a particular transaction, and in any event no less favourable to the Group than those offered by Independent Third Party suppliers to the Group.

The Group shall make reference to not less than two transactions of similar type, scale and nature with Independent Third Parties to ensure that the price and conditions as offered by Tongfang Group to the Group are fair and reasonable and similar to those offered by Independent Third Parties.

The market rate of the goods and services is to be ascertained based on the prevailing market price of the goods and services determined based on:

When negotiating the price, the Group will make reference to the following factors:

(i) the price of similar raw materials used in similar scale and nature of projects offered by Independent Third Party suppliers and accepted by the Group (the "**Comparable Purchase Transactions**") during a period of 12 months prior to the relevant transaction with Tongfang Group (the "**12-Month Purchase Period**") (if any), including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers; and

(ii) if there are no Comparable Purchase Transactions within the 12-Month Purchase Period, the price of similar products used in similar scale and nature of products offered by Independent Third Party suppliers and accepted by the Group any time prior to the 12-Month Purchase Period including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers, and taking into account the latest market and Independent Third Party supplier information available to the Group at the time of the relevant transaction with the Tongfang Group.

The payment terms for purchase of the goods and services will be set out in separate purchase contracts and shall be on normal commercial terms.

When determining the payment terms, the Group will make reference to prevailing market practices determined based on:

(a) the terms for similar scale and nature of projects offered by Independent Third Party suppliers and accepted by the Group during the 12-Month Purchase Period prior to the relevant transaction with Tongfang Group (if any), including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers; and

(b) if there are no Comparable Purchase Transactions within the 12-Month Purchase Period, the terms of similar products used in similar scale and nature of products offered by Independent Third Party suppliers and accepted by the Group any time prior to the 12-Month Purchase Period, including but not limited to the most recent relevant transactions accepted by the Group and Independent Third Party suppliers, and taking into account the latest market and Independent Third Party supplier information available to the Group at the time of the relevant transaction with the Tongfang Group.

In any event, the payment terms should be no less favourable to the Group than those offered by Independent Third Party suppliers to the Group.

As an active market participant, the Group will through market analysis, market research, quotations obtained from other Independent Third Party suppliers and interactions with other market participants obtain sufficient market intelligence to enable them to ascertain the prevailing market rate and practices as well as the latest market and Independent Third Party supplier information at any point in time. The Company will also continue to take steps to keep themselves abreast of market developments through maintaining a team of experienced procurement personnel focusing on different regions and cities throughout the PRC.

The 2025 Purchase Agreement contains no provision that (i) requires the Group to purchase such goods or services exclusively from Tongfang Group during the term of the agreement; or (ii) stipulates any committed or minimum purchase quantity or amount by the Group.

We have selected, on random basis, three sample purchase contracts under the 2022 Purchase Agreement and compared the terms to the terms of comparable contracts/quotations for products/services of similar nature. From our review, we noted that the principal terms of the purchase contracts between the Group and the Tongfang Group are generally no less favourable to the Group than those comparable contracts/quotations for products/services of similar nature.

Based on the above, we are of the opinion that the principal terms of the 2025 Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

4.3 The Purchase Caps

Historical transaction amount and existing annual caps

The table below sets forth the procurement amounts of the Group from the Tongfang Group during the years ended 31 December 2023 and 2024 and the eleven months ended 30 November 2025, and their respective existing annual caps and utilisation rates:

	For the year ended 31 December		For the year ending 31 December
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Historical amounts	120.51	104.37	80.56*(Note)*
Existing annual caps	220.00	250.00	270.00
Utilisation rate	*54.8%*	*41.7%*	*29.8%*(Note)

Note: The transaction amount for the year ending 31 December 2025 represented the transaction amount for the eleven months ended 30 November 2025.

The Purchase Caps

The table below sets out the Purchase Caps for each of the years ending 31 December 2026, 2027 and 2028:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Procurement amount of the Group from the Tongfang Group	190	190	190

As set out in the Letter from the Board, in arriving at the above Purchase Caps for the years ending 31 December 2026, 2027 and 2028, the Company has taken into account, among other things, the following:

(i) Historical transaction amount:

The historical procurement amount that the Group procured from Tongfang Group under previous purchase agreements, and the historical patterns, including seasonality and proportions of payment each year; and

(ii) Forecasted procurement amount:

The forecasted procurement amount based on expected demand for products and services with references to historical amounts and expected business growth. The Group plans to procure large temperature difference units and steam heat pumps from a subsidiary of Tongfang Group.

Our assessment of the Purchase Caps

From our review of the underlying calculation from the Management in determining the proposed Purchase Caps, we noted that the Purchase Caps was mainly determined with reference to the estimated cost of sales of the Group for the three years ending 31 December 2028, taking into account the historical transactions under the 2022 Purchase Agreement and the expected gross profit margin of the Group for the three years ending 31 December 2028.

We noted that the estimated purchase amounts under the 2025 Purchase Agreement as a percentage of the estimated cost of sales of the Group for the three years ending 31 December 2028, which was assumed to remain stable, was determined by the Management with reference to the percentages of the historical purchase amounts to the cost of sales of the Group for the three years ended 31 December 2024.

In relation to the expected gross profit margin, we have reviewed the annual report of the Company for the year ended 31 December 2024 and the interim report of the Company for the six months ended 30 June 2025, and noted that the gross profit margin of the Group was approximately 9.2% 7.9%, and 18.2% for 2023, 2024 and the six months ended 30 June 2025, respectively. As noted from the underlying calculation in determining the Annual Caps, it is expected that the gross profit margin of the Group would remain at a relatively lower level, similar to the average gross profit margin for the two years ended 31 December 2024, during the three years ending 31 December 2028.

As the estimated cost of sales was determined based on the estimated sales and estimated gross profit margin, we have also reviewed the underlying assumptions and basis of the estimated sales of the Group for the three years ending 31 December 2028 and are of the view that the same are fair and reasonable. Please refer to the section headed *"Our assessment of the Business Arrangements Caps"* above for the details of our analysis on the estimated sales.

Based on the above, we are of the view that the basis and assumptions used by the Management in determining the proposed Purchase Caps are fair and reasonable.

Based on the above, we are of the view that the 2025 Purchase Agreement (including the Purchase Caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

5. The 2025 Master Agreement

5.1 Background of, reasons for and benefits of the 2025 Master Agreement

As disclosed in the Letter from the Board, maintaining the sales of goods to the Tongfang Group has a positive contribution to the operating revenue of the Group and the Tongfang Group has proven to be a reliable supplier to the Group at competitive prices which has a positive contribution to the business and operations of the Group. The transactions contemplated under the 2025 Master Agreement will facilitate the sales of products and services from the Group to Tongfang Group, and the procurement of products and services from Tongfang Group by the Group of miscellaneous nature.

As the transactions contemplated under the 2025 Master Agreement will facilitate certain miscellaneous sales and purchases between the Tongfang Group and the Group, and the 2025 Master Agreement are on normal commercial terms (as discussed in the section headed *"5.2 Principal terms of the 2025 Master Agreement"* below), we are of the opinion that the entering into of the 2025 Master Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

5.2 Principal terms of the 2025 Master Agreement

On 4 December 2025, the 2025 Master Agreement was entered into between Technovator Beijing, a wholly-owned subsidiary of the Company, and THTF, in relation to the sales and purchase of miscellaneous products and services of the Group to and from the Tongfang Group for a term of three years from 1 January 2026 to 31 December 2028.

As confirmed by the Directors and based on our review of the terms of each of the 2022 Master Agreement and the 2025 Master Agreement, save for the term and the revision of the annual caps, the principal terms of the 2025 Master Agreement are the same as compared to the principal terms of the 2022 Master Agreement. Detailed terms of the 2025 Master Agreement are set out in the Letter from the Board. The following sets forth a summary and our analysis of the principal terms of the 2025 Master Agreement.

Subject matter

The Group may provide to or receive from Tongfang Group miscellaneous products and services as may be required to satisfy the operational needs of the Group/Tongfang Group from time to time in the ordinary course of business of the Group in accordance with the terms and

conditions of the 2025 Master Agreement for a term of three years from 1 January 2026 to 31 December 2028.

Pursuant to the 2025 Master Agreement, the miscellaneous products and services provided by the Group to Tongfang Group mainly include (i) rental services (including leasing of land and premises); (ii) research and development services and products (including technology licensing); (iii) the use of trademark license; and (iv) sharing of general administration and management support services but exclude any transactions contemplated under the 2025 Sales Agreement.

The miscellaneous products and services provided by Tongfang Group to the Group mainly include (i) rental services (including leasing of land, premises, machinery and equipment); (ii) research and development services and products (including technology licensing); (iii) the use of trademark license; and (iv) sharing of general administration and management support services, other than the Existing Trademark License Agreements and any transactions contemplated under the 2025 Purchase Agreement.

Consideration and payment

For the sale of ready-made products or the provision of standardised services, the price for such products or services shall be based on the pricing terms as offered by the Group no less favourable than those given to Independent Third Parties. The Group shall regularly review such pricing policy.

For the sale of self-produced products or services, reference shall be made to transactions of similar type, scale and nature with Independent Third Parties to ensure that the price and conditions as offered by the Tongfang Group to the Group are not less favourable than those offered to Independent Third Parties.

For the acquisition of products or services, the Group shall make reference to not less than two transactions of similar type, scale and nature with Independent Third Parties to ensure that the price and condition as offered by the Tongfang Group are fair and reasonable and similar to those offered by Independent Third Parties.

For the sharing of general administration and management support services, the fees payable or receivable by the Group are determined based on the direct cost of the human resources providing such services, the actual overhead costs incurred by the relevant offices and the number of entities sharing the services provided by the relevant office.

The prices at which the Group or Tongfang Group provides such services will be based on the following pricing mechanism in the following order of priority:

(i) government-prescribed price (including any price prescribed by any relevant local government, if applicable);

(ii) where there is no government-prescribed price but there is a government-guidance price, then the government-guidance price;

(iii) where there is neither a government-prescribed price nor a government-guidance price, the prevailing market price with reference to the nature of the same or similar type of products and services (including location, size of properties, ancillary facilities and equipment) provided by the Independent Third Parties in the ordinary course of business of the Group; or

(iv) where none of the above is applicable or where it is not practical to apply the above pricing policies, then the price agreed between the relevant parties shall be based on arm's length negotiation and shall be the reasonable costs incurred in providing the products plus reasonable profits.

The actual price will be separately determined on arm's length basis and agreed between the Group and Tongfang Group prior to their entering into of each transaction based on the above pricing mechanism. Therefore, such price will be comparable to or no less favorable to the Group than the market price of the same or similar type of products and services available from Independent Third Parties.

The relevant pricing mechanism was determined by the parties after arm's length negotiations with reference to the pricing principles of similar transactions previously carried out by the Group.

All transaction amounts shall be paid before the 15th day of the next month after set-off. Interests shall be accrued on any amounts overdue for more than one month at the prevailing bank lending rate.

We have obtained the breakdown of transaction amounts by nature of transactions under the 2022 Master Agreement, we noted that there were no provision of miscellaneous products and services by Tongfang Group to the Group for the two years ended 31 December 2024. For the eleven months ended 30 November 2025, the provision of miscellaneous products and services by the Group to Tongfang Group amounted to approximately RMB6.81 million, all of which was attributable to research and development services provided by the Group to Tongfang Group. Miscellaneous purchase transactions of the Group from the Tongfang Group amounted to approximately RMB16.3 million, RMB17.6 million and RMB9.09 million for

the year ended 31 December 2023, 2024 and for the eleven months ended 30 November 2025, respectively, all of which was attributable to rental services or research and development services and products (including technology licensing) provided by Tongfang Group to the Group.

We have selected, on random basis, one sample miscellaneous sales contract under the 2022 Master Agreement from the research and development services provided by the Group to Tongfang Group. As advised by the Management, due to the confidential nature of projects, the Group would, in particular in research and development projects, avoid engaging Independent Third Party and the prices of such contracts were determined based on cost-plus basis with reference to market prices on cost components. As mentioned above, there is neither a government-prescribed price nor a government-guidance price for research and development services, we therefore have not referred to any government-prescribed prices and government-guidance prices when assessing the terms of the sample contracts.

In respect of miscellaneous purchase transactions, we have selected, on random basis, three sample miscellaneous purchase contracts under the 2022 Master Agreement from the major transaction type, being rental services, and compared the terms to the terms of comparable contracts between the Group and Independent Third Parties for products/services of similar nature, where available. From our review, we noted that the principal terms of the sample rental contracts between the Group and the Tongfang Group are generally no less favourable to the Group than those comparable contracts between the Group and Independent Third Parties for products/services of similar nature.

Given that the sample contracts covered each of the major transaction type of transactions under the 2022 Master Agreement, we consider the sample contracts are sufficient and representative.

Based on the above, we are of the opinion that the principal terms of the 2025 Master Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

5.3 The Miscellaneous Caps

Historical transaction amount and existing annual caps

The table below sets forth the transaction amounts between the Group and the Tongfang Group during the years ended 31 December 2023 and 2024 and the eleven months ended 30 November 2025 pursuant to the 2022 Master Agreement, and their respective existing annual caps and utilisation rates:

	For the year ended 31 December		**For the year ending 31 December**
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Provision of miscellaneous products and services by the Group to Tongfang Group			
Historical amounts	Nil	Nil	6.81*(Note)*
Existing annual caps	20.00	25.00	30.00
Utilisation rate	*0%*	*0%*	*22.7%(Note)*
Provision of miscellaneous products and services by Tongfang Group to the Group			
Historical amounts	16.3	17.6	9.09*(Note)*
Existing annual caps	43.0	48.0	53.0
Utilisation rate	*37.9%*	*36.7%*	*17.2%(Note)*

Note: The transaction amounts for the year ending 31 December 2025 represented the transaction amounts for the eleven months ended 30 November 2025.

The Miscellaneous Caps

The table below sets out the Miscellaneous Caps for each of the years ending 31 December 2026, 2027 and 2028:

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Provision of miscellaneous products and services by the Group to Tongfang Group	50.0	50.0	50.0
Provision of miscellaneous products and services by Tongfang Group to the Group	50.0	50.0	50.0

As set out in the Letter from the Board, in arriving at the above Miscellaneous Caps for the years ending 31 December 2026, 2027 and 2028, the Company has taken into account, among other things, the following:

(i) Historical transaction amount:

For the provision of miscellaneous products and services by Tongfang Group to the Group, the actual amount of procurement by the Group during the historical periods, and the expected increase of the procurement of such products and services;

(ii) Increase in rental costs:

For the rental services provided by Tongfang Group to the Group, the expected increase in rental costs for such rental services (including leasing of land, premises, machinery and equipment) based on the latest market trend of rental prices and by reference to the current terms;

(iii) Increase in research and development services:

This increase is driven by the Group's strategic focus and planning for product and technology development, existing contracts, and new potential research and development projects currently under discussion between the Group and Tongfang Group; and

(iv) Other factors:

Prevailing market rates and conditions in the PRC, anticipated growth of the business of the Group and the Tongfang Group, the sales planning, actual operating circumstances of the Group and the future sharing of support services of some of the Group's offices between the Group and Tongfang Group to accommodate their respective future development and optimise their respective costs, and miscellaneous services generated during the development of the Group, such as information security, personnel training, etc.

Our assessment of the Miscellaneous Caps

We have reviewed and discussed with the Management the underlying calculation provided by the Management in determining the Miscellaneous Caps. The following paragraphs sets forth our analysis on the proposed Miscellaneous Caps in relation to the sales transactions and purchased transactions of the Group to and from the Tongfang Group.

Provision of miscellaneous products and services by the Group to Tongfang Group

As advised by the Management, the estimated sales amounts of the Group to the Tongfang Group pursuant to the 2025 Master Agreement was mainly determined based on the collaboration plan of the Group and the Tongfang Group to further develop in the field of smart energy and carbon peaking and carbon neutrality in view of the 15th Five-Year Plan of the PRC. As advised by the Management, based on the Group's discussion with the Tongfang Group, the Tongfang Group is expected to increase its procurement of research and development services in the three years ending 31 December 2028.

Provision of miscellaneous products and services by Tongfang Group to the Group

We noted that the estimated purchase/service amounts under the 2025 Miscellaneous Agreement as a percentage of the estimated cost of sales of the Group for the three years ending 31 December 2028, which was assumed to remain stable, is within the range of the percentages of the historical purchase/service amounts under the 2022 Miscellaneous Agreement to the cost of sales of the Group for the three years ended 31 December 2028.

Based on the above, we are of the view that the basis and assumptions used by the Management in determining the proposed Purchase Caps are fair and reasonable.

Based on the above, we are of the view that the 2025 Master Agreement (including the Miscellaneous Caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

6. Internal Control Measures

As advised by the Management, the Company has adopted a set of internal control measures since 2017 to assign specific responsibilities to various designated departments of the Company in performing regular assessment and cross-checking on the terms of the transactions contemplated under each of the 2025 Agreements in order to make sure that the transactions will be conducted in accordance with the terms of each of the 2025 Agreements. Such measures shall continue to be adopted to monitor the compliance of the pricing terms under the 2025 Agreements and ensure the Annual Caps approved by the Independent Shareholders will not be exceeded. Details of which are set out in the section headed *"Internal Controls"* in the Letter from the Board. We noted that different functions and duties are clearly segregated among different departments and personnel of the Group and that proper checks and approvals are required to monitor the transactions.

Pursuant to the 2022 Business Arrangements Agreement, the Group has the right but not the obligation to require THTF to facilitate the Intelligent Rail Transit, Building and Urban Heating Network Businesses in the manners set out above. We have obtained and reviewed the aforesaid internal control policies and discussed with the Management with respect to the monitoring of the transactions under the 2025 Business Arrangements Agreements. It is noted that (i) a separate bank account under the name of THTF and controlled by the Group is used to monitor and settle the payments from the customers and to the suppliers of relevant projects; (ii) the sales and procurement departments and the operation departments of the Intelligent Rail Transit, Building and Urban Heating Network Businesses and the finance department of the Group will work together to review and monitor the relevant transfer amounts; (iii) the Group will manage relevant contracts on its own; (iv) the relevant personnel at the Intelligent Rail Transit, Building and Urban Heating Network Businesses will manage the sales and supply contracts under the supervision of their general manager and senior management of the Group; (v) the sales department and the procurement department will be primarily responsible for negotiating the terms of sales contracts and supply contracts respectively; and (vi) relevant contracts will require approval from general manager of Intelligent Rail Transit, Building and Urban Heating Network Businesses before instruct THTF to enter into such contracts.

Based on the above and the fact that the transactions under each of the 2025 Agreements are subject to the reporting requirements of the Listing Rules as set out in the section headed *"7. Reporting Requirements by the Listing Rules"* below, we concur with the view of the Directors that the internal control procedures provide sufficient and effective safeguard to ensure that the transactions under each of the 2025 Agreements are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable.

7. Reporting Requirements by the Listing Rules

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the transactions contemplated under each of the 2025 Agreements are subject to the following annual review requirements:

a) the independent non-executive Directors must review the transactions contemplated under each of the 2025 Agreements every year and confirm in the annual report and accounts that they have been entered into:

   (i) in the ordinary and usual course of business of the Group;

   (ii) on normal commercial terms or better; and

   (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

b) the Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the transactions under each of the 2025 Agreements:

   (i) have not been approved by the Board;

   (ii) were not, in all material respects, in accordance with the pricing policies of the Group;

   (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing them; and

   (iv) have exceeded the relevant annual caps;

c) the Company must allow, and ensure that the counterparties to the 2025 Agreements allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the transactions contemplated under each of the 2025 Agreements; and

d) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required. The Stock Exchange may require the Company to re-comply with the announcement and Shareholders' approval requirements and may impose additional conditions.

We have reviewed the annual reports of the Company for the years ended 31 December 2023 and 2024 and noted that the Company's auditor has issued the unqualified letter containing his findings and conclusions in respect of the continuing connected transactions under the 2022 Agreements for the years ended 31 December 2023 and 2024 in accordance with Rule 14A.56 of the Listing Rules.

In light of the reporting requirements attached to the transactions contemplated under each of the 2025 Agreements, in particular, (i) the restriction of the transaction value by way of annual caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the terms of the 2025 Agreements and the annual caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the transactions contemplated under each of the 2025 Agreements and assist in safeguarding the interests of the Company and the independent Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that the 2025 Agreements have been entered into within the ordinary and usual course of business of the Group based on normal commercial terms, and the terms thereof together with the Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to approve the 2025 Agreements and the transactions contemplated thereunder (including the respective Annual Caps) at the 2026 First EGM.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 20 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTEREST BY DIRECTORS

As at the Latest Practicable Date, the Directors and the chief executive of the Company and their respective associates had the following interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Name	Capacity/Nature of interest	Number of Ordinary Share as at the Latest Practicable Date	Percentage of total issued share capital as at the Latest Practicable Date
Mr. Zhao Xiaobo	Beneficial owner	8,728,000	1.12%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short position in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

Other than the fact that each of Mr. Li Chengfu and Mr. Zeng Xuejie is an employee of THTF or its subsidiary, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

As at the Latest Practicable Date, none of the Directors had direct or indirect material interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group.

There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

So far as it is known to the Directors, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Capacity/Nature of interest	Number of Ordinary Share as at the Latest Practicable Date	Percentage of total issued share capital as at the Latest Practicable Date
THTF	Beneficial owner	92,000,000	11.76%
	Interest in a controlled corporation[(1)]	194,330,142	24.84%
Resuccess Investments Limited	Beneficial owner	194,330,142	24.84%

Note:

(1) THTF is the sole shareholder of Resuccess Investments Limited and hence is deemed to be interested in all the Shares held by Resuccess Investments Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group.

7. EXPERT AND CONSENT

The following are the qualifications of the expert who has been named in this circular or have given opinion or letter contained in this circular:

Name	Qualifications
Somerley Capital Limited	a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Somerley Capital Limited has given and have not withdrawn its written consent to the issue of this circular with the inclusion therein of their letters and references to their names, in the form and context in which they are included.

As at the Latest Practicable date, Somerley Capital Limited did not have any shareholding in any member of the Group and did not have the right to subscribe for or to nominate persons to subscribe for shares in any members of the Group.

As at the Latest Practicable Date, Somerley Capital Limited did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Electronic copies of the following documents are published on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.technovator.com.sg) for a period of 14 days from the date of this circular (both days inclusive):

(i). the 2025 Business Arrangements Agreement;

(ii). the Supplemental Agreement;

(iii). the 2025 Master Agreement;

(iv). the 2025 Purchase Agreement; and

(v). the 2025 Sales Agreement.

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

(incorporated in Singapore with limited liability)

(Stock Code: 1206)

NOTICE IS HEREBY GIVEN THAT the 2026 first extraordinary general meeting (the "**2026 First EGM**") of Technovator International Limited (the "**Company**") will be held at Level 17, Silvercord Tower 2, 30 Canton Road, Tsim Sha Tsui, Hong Kong on Wednesday, 28 January 2026 at 2:00 p.m., to transact the following businesses:

ORDINARY RESOLUTION

1. "**THAT**

   (a) the 2025 Business Arrangements Agreement and the Supplemental Agreement (as defined in the circular of the Company dated 12 January 2026 (the "**Circular**")) (including the annual caps for the transactions contemplated thereunder) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

   (b) the Directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of the Directors may be necessary, appropriate, desirable or expedient to implement and/or give effect to the 2025 Business Arrangements Agreement, the annual caps and the transactions contemplated thereunder."

2. "**THAT**

   (a) the 2025 Purchase Agreement (as defined in the circular of the Company dated 12 January 2026 (the "**Circular**")) (including the annual caps for the transactions contemplated thereunder) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

   (b) the Directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of the Directors may be necessary, appropriate, desirable or expedient to implement and/or give effect to the 2025 Purchase Agreement, the annual caps and the transactions contemplated thereunder."

* *For identification purpose only*

3. "**THAT**

(a) the 2025 Sales Agreement (as defined in the circular of the Company dated 12 January 2026 (the "**Circular**")) (including the annual caps for the transactions contemplated thereunder) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

(b) the Directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of the Directors may be necessary, appropriate, desirable or expedient to implement and/or give effect to the 2025 Sales Agreement, the annual caps and the transactions contemplated thereunder."

4. "**THAT**

(a) the 2025 Master Agreement (as defined in the circular of the Company dated 12 January 2026 (the "**Circular**")) (including the annual caps for the transactions contemplated thereunder) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

(b) the Directors of the Company (the "**Directors**") be and are hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of the Directors may be necessary, appropriate, desirable or expedient to implement and/or give effect to the 2025 Master Agreement, the annual caps and the transactions contemplated thereunder."

By Order of the Board
Technovator International Limited
Li Chengfu
Chairman

Hong Kong, 12 January 2026

Registered office:
66 Tannery Lane
#04-10/A
Sindo Industrial Building
Singapore 347805

Principal place of business in Hong Kong:
Level 17
Silvercord Tower 2
30 Canton Road
Tsim Sha Tsui, Hong Kong

As at the date of this notice, the executive Directors of the Company are Mr. ZHAO Xiaobo and Mr. QIN Bing; non-executive Directors are Mr. LI Chengfu, Mr. ZENG Xuejie and Ms. ZHANG Yanhua; the independent non-executive Directors are Mr. CHIA Yew Boon, Mr. LI Xuejin and Ms. LU Yao.

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.

2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the above meeting or any adjournment thereof.

3. In order to be eligible to attend and vote at the meeting, 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 Thursday, 22 January 2026.

4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.