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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)

2025 ANNUAL RESULTS ANNOUNCEMENT

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Technovator International Limited (the “**Company**” or “**Technovator**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, which are derived from the audited consolidated financial statements of the Group. These results have been reviewed by the Company’s audit committee, which comprises three independent non-executive Directors.

* *For identification purposes only*

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

(Expressed in Renminbi (“RMB”))

	Note	2025 RMB'000	2024 RMB'000
Revenue	2,3	1,487,561	1,829,233
Cost of sales		<u>(1,556,461)</u>	<u>(1,684,040)</u>
Gross (loss)/profit		(68,900)	145,193
Other revenue		27,405	32,405
Other net gain/(loss)		17,012	(3,684)
Selling and distribution costs		(55,717)	(85,759)
Administrative and other operating expenses		(273,636)	(164,224)
Impairment loss on trade and other receivables and contract assets		(127,792)	(210,018)
Share of profits or losses of an associate		<u>–</u>	<u>(153)</u>
Loss from operations		(481,628)	(286,240)
Finance costs	4(a)	<u>(10,418)</u>	<u>(10,557)</u>
Loss before taxation		(492,046)	(296,797)
Income tax	5(a)	<u>(5,355)</u>	<u>31,752</u>
Loss for the year		<u>(497,401)</u>	<u>(265,045)</u>
Loss attributable to:			
Equity shareholders of the Company		(493,835)	(265,908)
Non-controlling interests		<u>(3,566)</u>	<u>863</u>
Loss for the year		<u>(497,401)</u>	<u>(265,045)</u>
Loss per share	6		
Basic and diluted (RMB)		<u>(0.63)</u>	<u>(0.34)</u>

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in RMB)

	2025	2024
	RMB'000	RMB'000
Loss for the year	(497,401)	(265,045)
Other comprehensive income for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	<u>(329)</u>	<u>(522)</u>
Total comprehensive income for the year	<u>(497,730)</u>	<u>(265,567)</u>
Attributable to:		
Equity shareholders of the Company	(494,164)	(266,430)
Non-controlling interests	<u>(3,566)</u>	<u>863</u>
Total comprehensive income for the year	<u>(497,730)</u>	<u>(265,567)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

(Expressed in RMB)

		31 December 2025	31 December 2024
	<i>Note</i>	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		82,408	60,709
Intangible assets		461,952	576,200
Financial assets measured at amortised cost		570,422	376,039
Deferred tax assets		57,210	58,496
		<u>1,171,992</u>	<u>1,071,444</u>
Current assets			
Inventories		1,052,166	1,363,757
Contract assets		720,214	987,448
Trade and other receivables	7	1,481,438	1,687,280
Prepayments		113,491	114,307
Cash and cash equivalents		322,579	344,686
		<u>3,689,888</u>	<u>4,497,478</u>
Current liabilities			
Trade and other payables	8	2,176,472	2,400,263
Contract liabilities		184,509	148,360
Loans and borrowings		263,670	308,982
Lease liabilities		446	921
Income tax payable		31,877	28,869
		<u>2,656,974</u>	<u>2,887,395</u>
Net current assets		<u>1,032,914</u>	<u>1,610,083</u>
Total assets less current liabilities		<u>2,204,906</u>	<u>2,681,527</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 December 2025

(Expressed in RMB)

	31 December	31 December
	2025	2024
<i>Note</i>	RMB'000	RMB'000
Non-current liabilities		
Deferred tax liabilities	463	3,383
Deferred income	6,364	6,580
Loans and borrowings	61,405	38,598
Lease liabilities	446	–
Long-term payables	992	–
	<u>69,670</u>	<u>48,561</u>
NET ASSETS	<u>2,135,236</u>	<u>2,632,966</u>
CAPITAL AND RESERVES		
Share capital	9 1,189,968	1,189,968
Reserves	929,628	1,423,792
Total equity attributable to equity shareholders of the Company	2,119,596	2,613,760
Non-controlling interests	15,640	19,206
TOTAL EQUITY	<u>2,135,236</u>	<u>2,632,966</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in RMB unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

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

Non-current assets and disposal groups held for sale are stated at lower of carrying amount and fair value less costs to sell.

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

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

(b) Changes in accounting policies

New and amended HKFRSs

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

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

2 REVENUE

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

(a) Disaggregation of revenue

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from smart transportation business	227,192	435,196
Revenue from smart building and complex business	572,777	720,259
Revenue from smart energy business	687,592	673,778
	<u>1,487,561</u>	<u>1,829,233</u>

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

3 SEGMENT REPORTING

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

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

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

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

3 SEGMENT REPORTING *(Continued)*

(a) Information about reportable segments

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

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

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

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

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

3 SEGMENT REPORTING (Continued)

(a) Information about reportable segments (Continued)

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	STB		SBB		SEB		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Disaggregated by timing of revenue recognition								
Point in time	15,698	16,477	69,198	130,207	22,928	78,280	107,824	224,964
Over time	211,494	418,719	503,579	590,052	664,664	595,498	1,379,737	1,604,269
Reportable segment revenue	227,192	435,196	572,777	720,259	687,592	673,778	1,487,561	1,829,233
Reportable segment (loss)/ profit	(122,053)	(106,227)	(229,070)	(118,844)	8,841	75,046	(342,282)	(150,025)
Interest income	193	897	475	375	25,491	28,216	26,159	29,488
Impairment loss on trade and other receivables and contract assets	(68,745)	(76,201)	(30,376)	(111,469)	(28,671)	(22,348)	(127,792)	(210,018)
Impairment loss on intangible assets	(14,917)	-	(22,461)	-	-	-	(37,378)	-
Impairment loss on property, plant and equipment	-	-	(965)	-	-	-	(965)	-
Impairment loss on prepayments	(1,307)	(344)	-	(569)	(2,095)	(830)	(3,402)	(1,743)

(b) Reconciliations of reportable segment profit or loss

	2025 RMB'000	2024 RMB'000
Profit		
Reportable segment loss	(342,282)	(150,025)
Depreciation and amortisation	(126,613)	(123,416)
Finance costs	(10,418)	(10,557)
Unallocated head office and corporate expenses	(12,733)	(12,799)
Consolidated loss before taxation	(492,046)	(296,797)

3 SEGMENT REPORTING (Continued)

(c) Geographic information

For the years ended 31 December 2025 and 2024, as the Group does not have material operations outside the PRC, no geographic segment information is presented.

4 LOSS BEFORE TAXATION

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

(a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on loans and borrowings	10,396	10,465
Interest on lease liabilities	22	92
	<u>10,418</u>	<u>10,557</u>

(b) Staff costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries and other benefits	167,726	147,075
Contributions to defined contribution retirement schemes	22,445	21,422
	<u>190,171</u>	<u>168,497</u>

5 INCOME TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Provision for the year	8,465	2,534
Over-provision in respect of prior years	(1,476)	(4,534)
	<u>6,989</u>	<u>(2,000)</u>
Deferred tax		
Origination and reversal of temporary differences	(1,634)	(29,752)
	<u>5,355</u>	<u>(31,752)</u>

5 **INCOME TAX** (Continued)

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

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before taxation		(492,046)	(296,797)
Expected tax calculated at the respective tax rates	<i>(i)/(ii)</i>	(121,944)	(73,481)
Tax effect on non-deductible expenses		2,406	3,312
Effect of tax concession	<i>(iii)</i>	(11,481)	(5,640)
Tax effect of unused tax losses not recognised		137,850	48,591
Over-provision in respect of prior years		(1,476)	(4,534)
Actual income tax expense		5,355	(31,752)

Notes:

(i) The Company is subject to Singapore corporate income tax at 17% for the years ended 31 December 2025 and 2024. No provision for Singapore income tax was made because the Company sustained tax losses for the years ended 31 December 2025 and 2024.

(ii) The subsidiaries of the Group established in the PRC are subject to PRC corporate income tax (“CIT”) rate of 25% for the years ended 31 December 2025 and 2024.

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

The subsidiary of the Group established in Hong Kong is subject to Hong Kong profits tax rate of 16.5% for the years ended 31 December 2025 and 2024.

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

Tongfang Energy Saving Engineering Technology Co., Ltd. (“**Tongfang Energy Saving**”) is recognised as a high and new technology enterprise and is eligible to enjoy a preferential tax rate of 15% until December 2028.

6 LOSS PER SHARE

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

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB493,835,000 (2024: RMB265,908,000) and the weighted average number of ordinary shares of 782,192,189 (2024: 782,192,189) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2025	2024
	<i>Number of shares</i>	<i>Number of shares</i>
Issued ordinary shares at 1 January	782,192,189	782,192,189
Effect of purchase of own shares	–	–
	<hr/>	<hr/>
Weighted average number of ordinary shares at 31 December	<u>782,192,189</u>	<u>782,192,189</u>

(b) Diluted loss per share

There were no dilutive potential shares outstanding during the years ended 31 December 2025 and 2024.

7 TRADE AND OTHER RECEIVABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade debtors due from related parties	259,754	196,354
Other trade debtors	1,482,634	1,616,635
Bills receivable	18,708	64,917
Less: Allowance for doubtful debts	(329,613)	(260,474)
	<hr/>	<hr/>
Other receivables		
– amounts due from related parties	4,324	2,054
– amounts due from third parties	85,080	103,241
Less: Allowance for doubtful debts	(39,449)	(35,447)
	<hr/>	<hr/>
	<u>1,481,438</u>	<u>1,687,280</u>

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

7 TRADE AND OTHER RECEIVABLES (Continued)

Ageing analysis

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current	1,347,641	1,548,031
Less than 1 month past due	4,592	2,127
More than 1 month but less than 3 months past due	11,668	1,179
More than 3 months but less than 12 months past due	31,106	44,960
More than 12 months past due	36,476	21,135
	<u>83,842</u>	<u>69,401</u>
	<u>1,431,483</u>	<u>1,617,432</u>

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

8 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade and bills payables due to related parties	97,200	87,143
Other trade and bills payables	1,871,790	2,088,803
	<u>1,968,990</u>	<u>2,175,946</u>
Other payables and accruals		
– amounts due to related parties	21,377	26,262
– amounts due to third parties	186,105	198,055
	<u>2,176,472</u>	<u>2,400,263</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
By date of invoice:		
Within 3 months	1,302,036	1,268,761
More than 3 months but within 6 months	135,661	220,719
More than 6 months but within 12 months	70,117	132,774
More than 12 months	461,176	553,692
	<u>1,968,990</u>	<u>2,175,946</u>

9 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

There were no dividends payable to equity shareholders attributable to the previous financial year, and no dividends were approved and paid during 2025 and 2024.

(b) Share capital

	2025		2024	
	<i>Number of shares</i>	<i>Amounts RMB'000</i>	<i>Number of shares</i>	<i>Amounts RMB'000</i>
Ordinary shares issued and fully paid:				
At 1 January	782,192,189	1,189,968	782,192,189	1,189,968
Shares repurchased and cancelled	—	—	—	—
At 31 December	<u>782,192,189</u>	<u>1,189,968</u>	<u>782,192,189</u>	<u>1,189,968</u>

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

There were no shares issued by the Company during 2025 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

In 2025, under a macroeconomic environment of sluggish domestic demand, investment in the real estate and infrastructure sectors continued to decline, and the room for growth in the Group's target markets was further shrinking. During the year, the Group recorded revenue of approximately RMB1,487.6 million, representing a decrease of 18.7% year-on-year. This decrease was mainly due to weakened investment sentiment in the Group's target markets, which led to a slowdown on new contract conclusion. The sluggish market recovery and intensifying industry competition significantly compressed the profit margins of the Group's secured projects. Additional cost overruns incurred during the execution of certain projects within the year further eroded our profitability, causing a substantial drop in the gross profit margin for the period and materially affecting our overall profitability. Furthermore, increased impairment provisions for certain projects and assets resulted in a loss of approximately RMB497.4 million for the year. Facing the current complex and challenging market environment, the Group will centre its strategy on integrating digital technologies with green and low-carbon development. The Group will increase investment in its research and development efforts, optimise our business layout, enhance its comprehensive and streamlined management across all operational processes, strengthen lean operations and cost control, and focus on improving our operational efficiency and risk resilience. The Group's goal is to ensure steady growth amidst competition for existing market shares.

BUSINESS REVIEW

Smart Transportation Business

The Group's smart transportation business achieved successive breakthroughs in overseas benchmark projects, national key transport hubs, and urban rail transit network construction, fully demonstrating the Group's leading expertise in fully automated operation and integrated supervision and control for rail transit systems.

During the period, the Group secured contracts for the first phase of a light rail project in Astana, part of the city's New Transit System (新交通系統). As Kazakhstan's first urban light rail line, this project marked a significant infrastructure development project for the Group in countries along the Belt and Road Initiative, and would be carried out with the highest international GoA4 standard for fully automated operation. The project employed a "1+N" high-reliability architecture, integrating various supervision and control systems including those for environmental and equipment control, access control, platform screen doors, and automatic fire alarms, thereby creating an intelligent and coordinated control system for a fully automated operational environment. A customised multilingual interactive system was also deployed, supported by comprehensive scenario simulation testing and an intelligent training framework, ensuring a stable rollout and high-quality delivery of the project. This project will establish another benchmark for the Group's overseas business expansion.

The implementation of the Intelligent Systems Project for Beijing Sub-Centre Station Integrated Transport Hub (北京城市副中心站綜合交通樞紐智能化工程) supports the high-standard construction and intelligent development of Beijing Sub-Centre. Addressing the needs for high coordination and reliability in a complex operating environment of major hubs, the project would deliver a customised environmental and equipment supervision and control system for a super-large integrated transport hub. It would enable a centralised interaction of commands, status monitoring and fault notification, and an optimal balance of high real-time performance, reliability, and scalability. This would comprehensively improve the operational safety, passenger comfort, and overall operational efficiency of the hub, reinforcing the Group's technical advantage and benchmark status in intelligent systems for domestic super-large integrated transport hubs.

During the period, leveraging its proprietary core technologies, the Group played a key role in advancing the network development for Changchun rail transit. For the project of the first phase of Line 7, a highly integrated supervision and control system was deployed to enable multi-system coordination and intelligent linkage, enhancing the overall operational safety and efficiency of the line. The project of the first phase of Line 5 featured a unified integrated supervision and control platform, establishing a highly reliable and collaborative intelligent management centre that would provide a solid technical foundation for the safe and stable operation of the line. The ongoing progress of the Changchun rail transit projects not only enhances the city's rail network operational framework, but also showcases the Group's technical strength and project delivery capabilities in the field of urban rail integrated automation.

Smart Building and Complex Business

Driven by both urban renewal and the upgrading of buildings and industrial parks, the smart building and complex business keeps driving functional iteration through scenario innovation and empowering space operations with digital technology, injecting sustained momentum into urban digital transformation.

The Group undertook the Project for the Outdoor Broadcasting Venue of Building 6 in Zhongguancun Dongsheng Science Park (中關村東升科技園6號院室外演播場工程項目). With the core concept of creating an “urban living room within the park”, the project transformed the original functional steps into a multi-functional dynamic hub for roadshows, social connections, and nightlife economy through spatial reshaping and scene empowerment. It is dedicated to creating a warm and interactive outdoor public space for the innovation and technology community. This project would serve as a quintessential example of enhancing the spatial value in the existing industrial park through “micro-renovation”. By creating high-quality outdoor social space, it would strength the park's public service functions, and reflect an innovative approach of empowering technology with culture to attract and retain talents through appealing scenarios, significantly boosting the park's overall vibrancy and sense of belonging. This would support the transformation of Dongsheng Science Park from a traditional industrial cluster into an integrated innovation community, infusing more human-centric, scenario-driven energy into the construction of the International Centre for Science & Technology Innovation (國際科技創新中心) in Beijing.

The Dongsheng Building Network Upgrade and Robotics Integration Software Construction Project (東升大廈網絡改造及機器人集成軟件施工工程) focused on a comprehensive upgrade of the building's network infrastructure and the deep integration of robotic application software systems. It aimed to meet the diverse needs of the tenant companies for high-speed connectivity and intelligent services, propelling the evolution of traditional office buildings into smart spaces with integrated “perception-analysis-response” capabilities. As a demonstration project for the digital upgrade of Dongsheng Building, it would provide a replicable model for the intelligent renovation of existing urban buildings, strongly supporting the high-quality development of the regional digital economy.

During the period, the Group successfully secured contracts for the Intelligent Systems for Shenyang Hunnan Science City Urban Renewal Project (瀋陽渾南科技城城市更新項目智能化工程). Leveraging a “super cross (超級十字)” spatial layout and focusing on five leading industries, namely advanced materials, intelligent manufacturing, life sciences, information technology, and digital cultural and creative industries, the project is committed to building an intelligent, international, and ecological hub for scientific and technological innovation to revitalise Northeast China. It would assist the Northeast region in exploring and forming a new, high-quality development path featuring “industry-driven urbanisation, urban-enabled industrial growth, and industry-city integration (以產促城、以城興產、產城融合)”.

Smart Energy Business

Closely aligning with the dual-driven strategy of clean heating and digital transformation, the smart energy business focuses on enhancing core technologies and system integration capabilities. Several benchmark projects were successfully delivered within the year, laying a solid foundation for expanding into broader smart energy markets.

During the period, the Group successfully secured contracts for Botong Thermal Power Large-Temperature-Difference Heat Exchange Station and Heating System Optimisation and Upgrade Project for Weihai Thermal Power Group (威海熱電集團博通熱電大溫差換熱站及供熱系統優化升級改造工程). Following the Rongcheng Nuclear Heating Supporting Pipeline and Facilities Construction Project (榮成市核能供熱配套管網及設施建設項目), this project marked another significant breakthrough for the Group in the Shandong Jiaodong Peninsula market. It realises the demonstration application of a dedicated, fully operational absorption-type large-temperature-difference heat exchange unit for a 60-megawatt pressure isolation station. Based on the principle of absorption heat exchange, it effectively widened the supply-return water temperature difference, improving the economic efficiency of long-distance heat transmission. The project has explored a new path for heating technology development and provided strong support for Weihai City in constructing a heating framework characterised by “one city with one network, one network with multiple sources, and multi-energy complementarity (一城一網、一網多源、多能互補)”, showcasing the Group's technical strength and industry leadership in the large-temperature-difference heat exchange field.

For Qusong County Urban Area Clean Energy Centralised Heating Pilot Project (曲松縣城區清潔能源集中供暖試點項目), an integrated solution centred on “solar thermal as the primary source, heat pumps/electricity as auxiliary, seasonal thermal storage, and intelligent control (光熱為主、熱泵／電輔協同、跨季儲熱、智慧控制)” was developed to address technical challenges such as multi-energy coordination, long-duration thermal storage, and stable operation in extreme cold faced by clean heating in high-altitude and severely cold regions. It marks a significant advancement for the Group in integrating clean heating systems for extreme environments, laying a technical foundation for expanding into the clean heating market for plateau and other special regions.

The Group undertook Baoqing County Heat Source Service Pipe Network Project (寶清縣熱源引入管網工程項目), creating a full-stack digital-intelligent central system integrating “automation of pressure isolation station, long-distance heating network monitoring, intelligent dispatch platform, network security, and drone inspection (隔壓站自控、長輸熱網監控、智能調度平台、網絡安全及無人機巡檢)”. This would enable the safe, efficient, and intelligent operation of the heating system over long distances and in severe cold environments. The project has successfully established an industry benchmark for large-scale, intelligent long-distance heating at the county level, and demonstrated the Group’s profound technical expertise and comprehensive solution capabilities in the digital transformation of urban infrastructure and the integration of complex heating network systems, providing a mature and reliable solution for business expansion of the Group in the broad northern heating market.

OUTLOOK

The Group will continue to advance the integration and innovation of digital technology and green and low-carbon solutions. The Group will focus on the core scenarios of new smart cities, optimise our business layout with firm and clear strategic determination, and promote the mutual empowerment and synergistic force of energy services and technological innovation. By strengthening resource coordination and collaborative efficiency, the Group is able to steadily enhance our independent R&D capabilities in key areas, solidify our technological foundation in intelligent sensing, data interconnectivity, and scenario application, and accelerate the development of systematic solutions covering energy conservation, carbon reduction, and clean energy utilisation. The Group will proactively build a strong presence in frontier sectors, cultivate new growth driver for high potential emerging business opportunities, and empower high-quality urban development with a more resilient business structure and a more competitive technological matrix.

FINANCIAL REVIEW

Revenue

In 2025, affected by the intensifying competition in the saturated market and the bottleneck in effective demand, the Group's pace of market expansion continued to face growing headwinds and the progress of new contract implementations lagged behind, leading to slower-than-expected revenue conversion. The Group recorded a net revenue of RMB1,487.6 million for the full year, representing a year-on-year decrease of 18.7%. The Group will further strengthen its market expansion capabilities by focusing on in-depth exploration of advantageous regions and core business segments, and concentrate its resources on targeted efforts to overcome key challenges, striving to achieve new breakthroughs in contract signings and thereby providing solid support for revenue growth.

Revenue by business segments

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

	2025		2024		Comparison
	Revenue (RMB'000)	% of revenue	Revenue (RMB'000)	% of revenue	
Smart transportation	227,192	15.3%	435,196	23.8%	-47.8%
Smart building and complex	572,777	38.5%	720,259	39.4%	-20.5%
Smart energy	687,592	46.2%	673,778	36.8%	2.1%
Total	<u>1,487,561</u>	<u>100%</u>	<u>1,829,233</u>	<u>100%</u>	<u>-18.7%</u>

Smart transportation

In 2025, the smart transportation business achieved a revenue of approximately RMB227.2 million, representing a decrease of 47.8% from approximately RMB435.2 million for 2024. The year-on-year decrease in revenue was primarily due to the delayed signing of contracts for certain projects in the second half of the year, and, as a result, the failure to complete related procurement processes as scheduled, which hindered the project implementation and progress. During the period, the Group steadily advanced the implementation of major projects such as the integrated supervision and control system project for the post-construction work of Chongqing Rail Transit Line 27 (重慶軌道交通27號線), the first phase of Line 7, the first phase of Line 5 of Changchun Rail Transit (長春市軌道交通7號線一期、5號線一期), and the first phase of the light rail project for the New Transit System in Astana (阿斯塔納市新交通系統), which contributed the core revenue for this segment. Meanwhile, the Group made certain progress of and recorded settlement income from projects such as Beijing Sub-Centre Station Integrated Transport Hub Project (北京城市副中心站綜合交通樞紐工程), the Capacity Expansion and Upgrade Project for Line 13 of Beijing Rail Transit (北京軌道交通13號線擴能提升工程), and the integrated supervision and control project for Hangzhou-Deqing Intercity Railway Project (杭州至德清市域鐵路工程).

Smart building and complex

The smart building and complex business recorded a revenue of approximately RMB572.8 million, representing a year-on-year decrease of 20.5% from approximately RMB720.3 million in 2024. The decrease in revenue was due to an overall weakening of incremental market opportunities in the domestic construction industry. During the period, the Group successfully implemented and recorded partial settlement income from projects such as the Bank of Communications Gui'an Data Centre (交通銀行貴安數據中心), the digital systems for NOUSLAND Hotel (灣里•諾嵐酒店), a high-end resort brand under Beijing Tourism Group, and the Intelligent Systems for Shenyang Hunnan Science City Urban Renewal Project (瀋陽渾南科技城城市更新項目智能化工程), laying a solid foundation for the segment's performance for the current period. Furthermore, the implementation of projects with CNNC, including the Construction Project for Headway Smart Park (海得威智慧園區建設項目) and the smart park project for China Nuclear Power Operation Technology Innovation Research and Safeguard Base (中國核電運行技術創新研究與保障基地), continued to support the segment's performance.

Smart energy

The smart energy business recorded a revenue of approximately RMB687.6 million in 2025, representing an increase of 2.1% from approximately RMB673.8 million for the corresponding period last year. The Group continued to solidify its market-leading position in the smart energy sector, and accelerate the industrial application of technological innovations. With significant progress in major projects, the Group has demonstrated its strategic determination and operational resilience in a complex external environment. During the period, progress was made on major projects, including the Tianfu Energy Tianhe Thermal Power Plant Heating Project (天富能源天河熱電廠供熱項目), the Daqing Intelligent Heating Project (大慶市智慧供熱項目), the Botong Thermal Power Large-Temperature-Difference Heat Exchange Station and Heating System Optimisation and Upgrade Project for Weihai Thermal Power Group (威海熱電集團博通熱電大溫差換熱站及供熱系統優化升級改造工程), the Taiyuan Centralized Heating Network Integration and Capacity Expansion Project (Phase II) (太原市集中供熱聯網及擴容改造工程(二期)), and the Rongcheng Nuclear Heating Supporting Pipeline and Facilities Construction Project (榮成市核能供熱配套管網及設施建設項目), all of which had made significant contributions to the segment's revenue.

Cost of Sales

The Group's cost of sales decreased by 7.6% from approximately RMB1,684.0 million in 2024 to approximately RMB1,556.5 million in 2025, which was mainly attributable to the decrease in revenue.

Gross Profit

Gross profit decreased from approximately RMB145.2 million in 2024 to approximately RMB-68.9 million in 2025. Gross profit margin for the period was approximately -4.6%. The sluggish market recovery and intensifying industry competition significantly compressed the profit margins of our secured projects. Additional cost overruns incurred during the execution of certain projects within the year further eroded our profitability, causing a substantial drop in the gross profit margin for the period.

Other Revenue

In 2025, the Group recorded other revenue of approximately RMB27.4 million, representing a decrease of approximately 15.4% as compared to approximately RMB32.4 million of 2024, mainly attributable to the decrease in interest income for EMC projects.

Selling and Distribution Costs

Selling and distribution costs of the Group for 2025 were approximately RMB55.7 million, representing a year-on-year decrease of 35.1% as compared to approximately RMB85.8 million for 2024. Selling and distribution costs accounted for 3.7% (2024: 4.7%) of the revenue. Through enhanced management of sales personnel and costs, the Group managed to achieve a reduction in both labour costs and business expenditures.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 66.6% from approximately RMB164.2 million for 2024 to approximately RMB273.6 million for 2025. The Group increased its investment in research and development and made additional impairment provisions on certain assets considering changes in the overall industry environment, resulting in a significant increase in administrative and other operating expenses as compared to the corresponding period last year.

Impairment Loss on Trade and Other Receivables and Contract Assets

In 2025, the Group made provision for impairment loss on trade and other receivables and contract assets of approximately RMB127.8 million, representing a year-on-year decrease of approximately 39.1% from approximately RMB210.0 million for 2024. Excluding the impact of the provision for bad debts individually made in 2024, the overall bad debt ratio for 2025 increased compared with 2024, primarily due to extended project payment collection cycles resulting from prolonged payment approval processes by certain clients.

Finance Costs

Finance costs of the Group for 2025 were approximately RMB10.4 million, representing a year-on-year decrease of 1.9% as compared to approximately RMB10.6 million for 2024, which basically remained stable as compared to that for the corresponding period last year.

Income Tax

Income tax increased from approximately RMB-31.8 million in 2024 to approximately RMB5.4 million for the period, mainly attributable to the movement in deferred tax expense.

Loss for the Year

In 2025, the Group recorded the loss of approximately RMB497.4 million, as compared to the loss of approximately RMB265.0 million for 2024. Net profit margin decreased to approximately -33.4% for the year from -14.5% last year. The increase in loss and the decrease in net profit margin for the year were mainly attributable to the decrease in gross profit.

The basic and diluted loss per share from continuing operations of the Group amounted to RMB0.63 (2024: loss per share of RMB0.34).

Working Capital and Financial Resources

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

	As at 31 December 2025 (RMB'000)	As at 31 December 2024 (RMB'000)
Inventories	1,052,166	1,363,757
Trade and other receivables (Note 1)	1,594,929	1,801,587
Trade and other payables	2,176,472	2,400,263
Average inventory turnover days	296	264
Average trade receivables turnover days (Note 2)	395	329
Average trade payables turnover days (Note 2)	464	437

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

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

The Group's inventories decreased by 22.8% from approximately RMB1,363.8 million as at 31 December 2024 to approximately RMB1,052.2 million as at 31 December 2025. Owing to internal approval processes of certain clients and external factors, the construction progress for the projects slowed down, resulting in a lower inventory turnover rate for some projects. Consequently, the inventory turnover days increased to approximately 296 days as compared to the corresponding period last year.

The Group's trade and other receivables amounted to approximately RMB1,594.9 million as at 31 December 2025, representing a decrease of 11.5% as compared to approximately RMB1,801.6 million as at 31 December 2024. The average trade receivables turnover days increased from 329 days for the corresponding period last year to 395 days. Affected by the current macroeconomic environment and industry-wide adjustments, some clients have extended their payment terms due to delays in the internal review process, resulting in increased turnover days.

The Group's trade and other payables decreased by 9.3% from approximately RMB2,400.3 million as at 31 December 2024 to approximately RMB2,176.5 million as at 31 December 2025. The Group's average trade payables turnover days increased from approximately 437 days in 2024 to approximately 464 days in 2025. The increase in the payables turnover days was attributable to the Group's efforts in optimising its payment schedule to secure longer credit terms, thereby improving capital efficiency.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group financed its operations primarily through cash flow from operations and cash balance on hand. As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB322.6 million, which accounted for 15.1% of the Group's net assets (31 December 2024: cash and cash equivalents of approximately RMB344.7 million).

As at 31 December 2025, the Group's indebtedness consisted of short-term bank loans of approximately RMB263.7 million with an average interest rate of 2.92% per annum, long-term bank loans of approximately RMB5.0 million with an interest rate of 2.7% per annum and secured borrowings of approximately RMB73.0 million with an interest rate of 4.6% per annum.

As at 31 December 2025, the Group's debts were primarily bank loans denominated in RMB. Cash and cash equivalents were primarily bank deposits and cash on hand denominated in RMB, USD, HKD and SGD, and deposits that were readily convertible into known amounts of cash.

As at 31 December 2025, the net debt of the Group was approximately RMB2.5 million (31 December 2024: net debt of approximately RMB2.9 million). Gearing ratio, defined as loans and borrowings divided by total assets, was approximately 6.7% (31 December 2024: approximately 6.2%).

PLEDGE OF ASSETS

As at 31 December 2025, the Group pledged Xinjiang Tianfu South Thermal Power Plant (新疆天富南熱電廠) and the ancillary urban heating network renovation project and the comprehensive energy efficiency improvement project for Tianhe Thermal Power Plant (天河熱電廠) and its heating supply area, and obtained secured borrowings of approximately RMB73.0 million with an interest rate of approximately 4.6%.

EXCHANGE RATE FLUCTUATION RISK

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

However, given the Group's operations are mainly conducted in the PRC and the majority of its sales and purchases are transacted in RMB, the Directors are of the view that as the foreign exchange risk did not have any material impact on the Group's financial performance during 2025, the Group did not enter into any hedging arrangement for its foreign exchange risk. The Group will closely monitor foreign currency movement and will assess the need to adopt any measures in relation to foreign exchange risk from time to time.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

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

EMPLOYEE, TRAINING AND DEVELOPMENT

As at 31 December 2025, the Group had a total of 669 employees compared to 669 employees as at 31 December 2024. Total staff costs increased from approximately RMB168.5 million for 2024 to approximately RMB190.2 million for 2025.

As a matter of policy, the Group remunerates its employees based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis.

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

MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2025, the Group had no material acquisition or disposal of subsidiaries or associates.

SIGNIFICANT INVESTMENTS

For the year ended 31 December 2025, the Group had no significant investment, nor was there any plan authorised by the Board for other material investments or additions of capital assets as at 31 December 2025.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code (the “**Corporate Governance Code**”) in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), except for deviation from C.5.1 of the Corporate Governance Code as disclosed below.

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

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS OF LISTED ISSUERS (“MODEL CODE”)

The Company has adopted the Model Code set out in Appendix C3 of Listing Rules during the year ended 31 December 2025 as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors’ securities transactions during the year ended 31 December 2025.

ISSUE OF SECURITIES

During the year ended 31 December 2025, the Company did not conduct any fund raising activities through issue of equity securities (including sale of treasury shares).

As at 31 December 2025, the number of treasury shares held by the Company is nil.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

DIVIDENDS

During 2025, the Company has not declared any dividend in respect of the financial year ended 31 December 2024. The Board does not recommend any final dividend for the year ended 31 December 2025.

BOOK CLOSURE

In order to determine the entitlement to attend and vote at the annual general meeting (“AGM”), the transfer books and register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both days inclusive, during which period no transfer of Shares in the Company will be effected. The record date for entitlement to attend and vote at the AGM is Friday, 12 June 2026. In order to be eligible to attend and vote at the forthcoming AGM of the Company to be held on Friday, 12 June 2026, 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 Monday, 8 June 2026.

AGM

The AGM of the Company will be held in Hong Kong on Friday, 12 June 2026. Notice of the AGM will be issued and disseminated to shareholders of the Company in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.technovator.com.sg). The annual report for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to shareholders of the Company (if requested) and available on the same websites in due course.

AUDIT COMMITTEE

The Group’s audited consolidated results for the year ended 31 December 2025 have been reviewed by the audit committee of the Company, who are of the opinion that the annual results comply with the applicable accounting standards, the Listing Rules and legal requirements and that adequate disclosures have been made.

By order of the Board
Technovator International Limited
Han Tao
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Zhao Xiaobo and Mr. Qin Bing; the non-executive Directors are Mr. Han Tao, Mr. Zeng Xuejie and Mr. Gao Peifeng; and the independent non-executive Directors are Mr. Chia Yew Boon, Dr. Li Xuejin and Ms. Lu Yao.