



A LEADING SMART ENERGY SAVING SERVICES PROVIDER

INTERIM REPORT 2026



Technovator
International Limited

(incorporated in Singapore with limited liability)

Stock Code: 1206

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhao Xiaobo (趙曉波)
Mr. Qin Bing (秦冰)

Non-executive Directors

Mr. Han Tao (韓滔) (Chairman)
(appointed on 27 March 2026)
Mr. Zeng Xuejie (曾學傑)
Mr. Gao Peifeng (高沛豐) (appointed on 27 March 2026)
Mr. Li Chengfu (李成富) (resigned on 27 March 2026)
Ms. Zhang Yanhua (張艷華) (resigned on 27 March 2026)

Independent Non-executive Directors

Ms. Lu Yao (陸瑤)
Mr. Chia Yew Boon (謝有文)
Dr. Li Xuejin (李學金)

BOARD COMMITTEES

Audit Committee

Ms. Lu Yao (Chairlady)
Mr. Chia Yew Boon
Dr. Li Xuejin

Nomination Committee

Mr. Chia Yew Boon (Chairman)
Mr. Han Tao (appointed on 27 March 2026)
Ms. Lu Yao
Mr. Li Chengfu (resigned on 27 March 2026)

Remuneration Committee

Dr. Li Xuejin (Chairman)
Mr. Chia Yew Boon
Mr. Han Tao (appointed on 27 March 2026)
Mr. Li Chengfu (resigned on 27 March 2026)

Risk Management Committee

Mr. Han Tao (Chairman) (appointed on 27 March 2026)
Mr. Zhao Xiaobo
Mr. Qin Bing
Mr. Chia Yew Boon
Dr. Li Xuejin
Mr. Zeng Xuejie
Mr. Gao Peifeng (appointed on 27 March 2026)
Ms. Lu Yao
Mr. Li Chengfu (resigned on 27 March 2026)
Ms. Zhang Yanhua (resigned on 27 March 2026)

JOINT COMPANY SECRETARIES

Mr. Leung Lok Wai
Ms. Chan Lai Yin

AUTHORISED REPRESENTATIVES

Mr. Zhao Xiaobo
Mr. Han Tao (appointed on 27 March 2026)
Mr. Li Chengfu (resigned on 27 March 2026)

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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

LEGAL ADVISER AS TO HONG KONG LAWS

Morgan, Lewis & Bockius

AUDITORS

KPMG
Public Interest Entity Auditor registered in accordance
with the Accounting and Financial Reporting
Council Ordinance

SINGAPORE PRINCIPAL SHARE REGISTRAR

Tricor Barbinder Share Registration Services
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

COMPANY WEBSITE

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PRINCIPAL BANKERS

Agriculture Bank of China
Bank of Beijing
Bank of China
Bank of Communications
China CITIC Bank
China Construction Bank
China Merchants Bank
Hua Xia Bank
Industrial and Commercial Bank of China
The Hong Kong and Shanghai Banking
Corporation Limited

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MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

During 1H2026, as a result of the slowdown in macroeconomic growth and cyclical industry adjustments, our target markets were experiencing a persistent weakening of effective demand. During the period, the Group recorded revenue of approximately RMB196.8 million, representing a significant decrease of 70.4% year-on-year. This decrease was mainly due to a notable contraction in investments in non-essential and upgrading construction projects in our target markets and the significant impact on revenue from contractual energy management projects. Meanwhile, as market competition intensified, pricing flexibility for projects narrowed, exerting downward pressure on profitability. As contractual energy management projects have traditionally been a high-margin business for the Group, the reduction in their revenue directly led to a decline in gross profit. Meanwhile, fixed costs such as project labour costs, due to their inherently rigid nature, did not decrease proportionally with the decrease in revenue, further eroding the gross profit margin. Taken together, these factors resulted in a significant decline in the gross profit margin for the period. In addition, after taking into account changes in the industry environment and future operating expectations, the Group made additional provisions for impairment of certain assets, further contributing to the net loss for the period. In view of the above, the Group recorded loss of approximately RMB260.8 million for the first half of the year. In response to the current operating conditions, the Group has proactively adjusted its business strategies and continuously optimised resource allocation to address challenges arising from market changes, with a view to maintaining stable operations amidst the industry adjustment period.

BUSINESS REVIEW

Smart Transportation Business

The smart transportation business focuses on the digital, intelligent and low-carbon transformation and upgrade of urban rail transit, iterating and optimising its comprehensive scenario of smart management and control solutions. During the period, the Company strengthened its full-scenario market penetration so as to consolidate the Group's core competitive barriers and brand influence in the integrated supervision and control for rail transit systems.

During the period, the Group successfully secured the contract for the Integrated Supervision and Control System Renovation Project for Guangzhou Metro Line 1 (廣州地鐵1號線綜合監控系統改造工程), which is the first integrated supervision and control system project secured by the Group in southern China, marking a milestone breakthrough for the Group in the rail transit smart upgrade across southern China. The project adopts an innovative architecture featuring distributed deployment across centralised and non-centralised stations. While reducing hardware investment and construction costs, it effectively enhances operational efficiency and system security. Meanwhile, the co-development and standardisation initiatives implemented under the project provide a replicable benchmark for the renovation of existing lines, supporting the high-quality smart development of Guangzhou's rail transit network.

In the Changchun market, the Group has once again secured the Changchun Rail Transit NOCC (Network Operation Command Centre) Project (長春市城市軌道交通NOCC線網運營指揮中心項目), achieving a landmark upgrade in its business footprint from traditional station-level integrated supervision and control to city-network level operation command and control. Such achievement represents a paradigm shift in both of its business coverage and its technical service competencies. This project, serving as the core hub for the operation and management of Changchun rail transit network, carries the key functions including unified network-wide dispatch and command, collaborative emergency response to incidents and daily operational analysis and decision-making. It possesses the access capability to fully integrate existing operational lines and to accommodate the long-term expansion of planned lines, which can fully align with the needs of an extensive and large-scale urban rail transit network. Upon completion of the project, it will establish a "Changchun Benchmark (北國春城樣板)" for intelligent network-level control of rail transit, fully demonstrating the Group's comprehensive service capabilities underpinned by its self-developed core technologies to precisely meet the differentiated and specific construction needs of urban rail transit.

Smart Building and Complex Business

The smart building and complex business continues to expand its business footprint in the fields of smart healthcare, green computing power and industrial parks, whilst strengthening its technological innovation capabilities and optimising the allocation of internal resources to inject new momentum into the digital transformation across industries.

During 1H2026, the Group secured a contract for an electronic intelligent project for the first phase of the High-Tech Hospital Project of the Third People's Hospital of Chengdu (成都市第三人民醫院). Following the High-Tech District People's Hospital of Chengdu (成都高新區人民醫院), the project marks another benchmark project of a Grade 3A integrated hospital undertaken by the Group in the southwestern China, further consolidating the cluster effect within the healthcare sector across the Chengdu-Chongqing area and effectively strengthening its market presence in the southwestern China. Meanwhile, the project has further enhanced the Group's track record in full-hospital intelligence turnkey contracting for large Grade 3A hospitals, bolstering its core competitiveness in the smart healthcare sector.

During 1H2026, the Group made continuous progress on Gui'an Data Centre Project of Bank of Communications. Located in the "China Data Valley (中國數谷)" of the Gui'an New Area, the project is a key benchmark for computing infrastructure that implements China's "East Data, West Computing (東數西算)" strategy and supports Bank of Communications' multi-site active-active financial disaster recovery deployment. Upon completion, the project will serve as a benchmark case for green, smart data centres among state-owned banks in the southwestern China, providing robust track record support for the expansion of key projects in the financial and computing hub sectors.

During 1H2026, the Group secured a contract for the first phase of the Hengqin-Macao Innovation Industrial Park Project (琴澳創新產業園一期項目). As the first benchmark industrial project featuring the "island-based manufacturing, vertical factory (工業上島、工業上樓)" in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (橫琴粵澳深度合作區), the project covers 13 individual buildings, including 10 high-rise production plants, a support centre, an underground complex and an urban exhibition hall, equipped with an IBMS intelligent integration platform and a smart park operations management platform. The project aims to provide a digital infrastructure foundation for enterprises in the biopharmaceutical and high-end medical device sectors, as well as Macao-branded industrial enterprises, representing a significant benchmark practice for the Group in the field of smart industrial parks.

Smart Energy Business

In the smart energy business, the Group continued to solidify its core competitive advantages in the fields of low-carbon transformation for urban heating, energy saving for nuclear-energy ancillary facilities, and integrated and comprehensive energy services in industrial parks.

During 1H2026, the Group secured the Wu'an Urban Area Centralised Heating Profound Energy-saving Contractual Energy Management Project (武安城區集中供熱深度節能合同能源管理項目). Leveraging the foundation of existing centralised heating system, the project adopted the business model of contractual energy management to fully exploit the energy-saving potential of the system and achieve improvement in both quality and efficiency. By implementing systematic in-depth energy-saving transformation of the centralised heating system, the project effectively breaks through the existing heating-supply efficiency bottlenecks. Leveraging specialised energy-saving technology and operation and maintenance services throughout the project lifecycle, it explores the potential of incremental energy saving and systematically improves the comprehensive energy efficiency of the heating pipeline network, assisting Wu'an City in promoting green, low-carbon and high-quality development.

Management Discussion and Analysis (Continued)

During 1H2026, the Group secured the Smart Heating Network Technology Retrofit Project for the Heating Service Office of Donghe District, Baotou City (包頭市東河區供暖服務所熱網智慧供熱技術改造項目), which adopts a “hierarchical retrofit” strategy in response to the dispersed heating area characteristics of old communities. Through the coordinated implementation of multi-dimensional technical measures, the project can not only effectively reduce the comprehensive heating energy consumption and carbon emissions, deliver considerable operational energy-saving benefits, but also comprehensively upgrade the regional centralised heating digital operation and maintenance management system, assisting the development of local smart city construction and low-carbon transformation.

Leveraging its core technological advantages, the Group continued to strength the strategic cooperation in the smart energy business with CNNC. They joined efforts to secure the contract for the CNNC Xiong'an Science and Technology Park Integrated Energy Demonstration Project (中核雄安科技園綜合能源示範項目), the investments of which were used to establish a high-efficiency integrated energy station powered by energy-efficient complete equipment and cutting-edge technology, enabling dynamical track of the cooling and heating loads of the park and precise matching of supply and demand, thereby significantly improving the comprehensive energy efficiency of the energy supply system and long-term operational economics. Meanwhile, in cooperation with Tsinghua University, the Group developed a park-level source-grid-load-storage demonstration system for the integration and coordination of photovoltaic, energy storage, direct current distribution, and flexibility (園區光儲直柔源網荷儲一體化協同示範體系), which has, leveraging the smart energy control and management platform, achieved real-time power load coordination and dynamic optimised dispatching, laying a solid foundation for achieving zero carbon, and forming a comprehensive energy implementation roadmap with replicable and scalable promotion value.

OUTLOOK

Technovator will adhere to the implementation of its dual-driven strategy of “upholding tradition + moving forward with innovation” and anchor in its core businesses. By cultivating its regional presence and focusing on niche segments, coupled with optimisation of its business model, it will comprehensively enhance its capabilities in securing and converting high-quality projects. Meanwhile, the Group will firmly advance the iteration and upgrade of its business structure and operational efficiency and actively mitigate cost and market pressures to ensure the Group's robust survival amid a complex environment with greater resilience and vitality.

FINANCIAL REVIEW

Revenue

In 1H2026, the persistent shortfall in effective demand across the target markets continued to weigh on the business environment. Non-essential construction investment continued to shrink, while competition in the existing market intensified further. The timeline from contract execution to the commencement of construction for newly signed projects has lengthened significantly, hindering our ability to convert new projects into mid-term revenue streams. In the first half of the year, the Group recorded net revenue of approximately RMB196.8 million, representing a year-on-year decrease of 70.4%. In response to these temporary market pressures, the Group stepped up efforts to enhance the delivery efficiency of projects on hand, reinforced receivables management, and concentrated its resources on high-quality customers and core regions, aiming to stabilise its core business during the industry consolidation and maintain overall operational stability.

Revenue by Business Segments

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

	Six months ended 30 June				
	2026		2025		Comparison
	Revenue (RMB'000)	% of revenue	Revenue (RMB'000)	% of revenue	
Smart transportation business	75,266	38%	93,397	14%	-19.4%
Smart building and complex business	51,679	26%	246,297	37%	-79.0%
Smart energy business	69,819	36%	325,779	49%	-78.6%
Total	196,764	100%	665,473	100%	-70.4%

Smart transportation business

In 1H2026, the smart transportation business recorded revenue of approximately RMB75.3 million, representing a decrease of 19.4% from approximately RMB93.4 million for the corresponding period last year. Impacted by the postponement or suspension of tender processes for rail transit projects in certain regions, demand for the Group's integrated supervision and control systems and related supporting solutions contracted accordingly. During the period, the Group actively pushed forward, and recorded settlement income from, its key projects, including the integrated supervision and control system project for the southern extension of Changchun Urban Rail Transit Line 1 (長春市城市軌道交通1號線), the equipment procurement, installation and integration for the integrated supervision and control system of Xingang Line (Phase I) of Wuhan Rail Transit (武漢市軌道交通), Phase I of the light rail project for the New Transit System (新交通系統) in Astana, and the equipment supply and procurement for the integrated supervision and control system of Hangzhou-Deqing Intercity Railway Project (杭州至德清市域鐵路工程).

Smart building and complex business

The smart building and complex business recorded revenue of approximately RMB51.7 million in 1H2026, representing a year-on-year decrease of 79.0% from approximately RMB246.3 million in 1H2025. The macroeconomic slowdown and market corrections in the real estate sector have triggered widespread liquidity constraints for project owners, resulting in a severe scaling back of investment in construction projects and leading to a significant reduction in non-essential and upgrading construction works. During the period, progress was made on projects such as the Bank of Communications Gui'an Data Centre project (交通銀行貴安數據中心項目), the China Nuclear Power Operation Technology Innovation Research and Safeguard Base (中國核電運行技術創新研究與保障基地), the intelligent construction and subcontracting works for Phase I of the Jiahe Centre project (嘉和中心項目一期智能化施工分包工程項目), the comprehensive land utilisation project at the Zhangjiawan Depot (張家灣車輛段綜合利用供地項目), and Phase VII of the central air-conditioning automation system for the Amazon data centre (亞馬遜數據中心機房中央空調自控七期) in India, all of which have generated settlement income.

Smart energy business

In 1H2026, the smart energy business recorded revenue of approximately RMB69.8 million, representing a decrease of 78.6% from approximately RMB325.8 million in 1H2025. The significant revenue decline in this business segment was primarily attributable to a reduction in the total number of tender projects in the target market due to market conditions, coupled with the continuously evolving of industry standards and localisation requirements, which significantly lengthened the pre-assessment and tendering cycles, thereby causing delays in project implementation progress. During the period, the Group made progress on and recorded settlement income from several projects, including the electromechanical equipment installation works for the Beijing Metro Line 12 project (北京市軌道交通12號線工程), the collective industrial land development project (集體產業用地項目) on Plot X2 in Xibeiwang Town, Haidian District, and the “City of Design (設計之都)” project in Liulin, Haihe District, Tianjin.

Cost of Sales

The Group's cost of sales decreased by 57.7% from approximately RMB544.4 million for 1H2025 to approximately RMB230.1 million for 1H2026. The decrease in cost of sales was mainly driven by the decrease in revenue.

Gross Profit

Gross profit decreased from approximately RMB121.1 million for 1H2025 to approximately RMB-33.4 million for 1H2026. Gross profit margin for the period was approximately -17.0%. Intensifying market competition squeezed our project margin and put pressure on the Group's profitability. Furthermore, as the Group's traditional high-margin business, contractual energy management projects saw a reduction in revenue, which directly led to a decline in total gross profit. Meanwhile, fixed expenditures such as project labor costs were not reduced proportionally, further eroding the gross profit. Collectively, these resulted in a substantial decline in the gross profit margin for the period.

Other Revenue

The Group recorded other revenue of approximately RMB14.0 million for 1H2026, representing an increase of approximately 28.4% as compared to approximately RMB10.9 million for 1H2025, mainly attributable to the increase in interest income for EMC projects.

Selling and Distribution Costs

Selling and distribution costs of the Group for 1H2026 were approximately RMB26.7 million, representing a year-on-year decrease of 4.6% as compared to approximately RMB28.0 million for 1H2025. Through enhanced sales personnel cost management, the Group managed to achieve a reduction in business expenditures. Despite lower total costs, the proportion of selling and distribution costs to revenue increased from 4.2% for the corresponding period last year to 13.6%, representing a year-on-year increase of 9.4 percentage points, which was driven by the significant decrease in revenue in 1H2026.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by 49.2% from approximately RMB115.1 million for 1H2025 to approximately RMB171.7 million for 1H2026. The Group made higher provisions for impairment of certain assets after taking full consideration of the changes in the industry environment and future operating forecasts, resulting in an increase in administrative and other operating expenses.

Impairment Loss on Trade and Other Receivables and Contract Assets

In 1H2026, the Group made provision for impairment loss on trade and other receivables and contract assets of approximately RMB40.1 million, representing an increase of approximately 345.6% from approximately RMB9.0 million for 1H2025. Such increase was primarily attributable to temporary liquidity constraints experienced by certain customers and prolonged payment approval processes, which led to extended collection of payments for projects and consequently drove up the scale of impairment losses. The Group is continuously intensifying its efforts in collecting account receivables in order to expedite cash inflows.

Finance Costs

Finance costs of the Group for 1H2026 were approximately RMB4.4 million, representing a year-on-year decrease of 12% as compared to approximately RMB5.0 million for 1H2025, mainly attributable to the decrease in interest expense.

Income Tax

Income tax increased from approximately RMB-3.1 million in 1H2025 to approximately RMB-1.9 million for the period, mainly attributable to the decrease in deferred income tax recognised for the period as compared to the corresponding period last year.

Loss for the Period

In 1H2026, the Group recorded loss of approximately RMB260.8 million, as compared to the loss of approximately RMB7.7 million for 1H2025. Net profit margin changed to approximately -132.5% for the period from -1.2% for the corresponding period last year. The increase in loss for the period was attributable to the decrease in revenue and gross profit, and an increase in impairment losses recognised for certain assets.

The basic and diluted loss per share from continuing operations of the Group amounted to RMB0.3287 (1H2025: RMB0.0083).

Working Capital and Financial Resources

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

	As at 30 June 2026 (RMB'000)	As at 31 December 2025 (RMB'000)	As at 30 June 2025 (RMB'000)
Inventories	1,029,129	1,052,166	1,365,083
Trade and other receivables (Note 1)	1,560,411	1,594,929	1,736,219
Trade and other payables	1,945,802	2,176,472	2,144,299
Average inventory turnover days	952	296	374
Average trade receivables turnover days (Note 2)	1,368	395	457
Average trade payables turnover days (Note 2)	1,352	464	672

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

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

As of 30 June 2026, the Group's inventories amounted to approximately RMB1,029.1 million, representing a slight decrease as compared to approximately RMB1,052.2 million as at 31 December 2025. Affected by the significant decrease in operating revenue in 1H2026, the average inventory turnover days increased substantially from 374 days for the corresponding period last year to 952 days, reflecting a decline in turnover efficiency.

The Group's trade and other receivables amounted to approximately RMB1,560.4 million, representing a decrease of 2.2% as compared to approximately RMB1,594.9 million as at 31 December 2025. Affected by the significant decrease in operating revenue in 1H2026, the average trade receivables turnover days increased significantly from 457 days for the corresponding period last year to 1,368 days, reflecting a decline in turnover efficiency.

Management Discussion and Analysis (Continued)

The Group's trade and other payables decreased by 10.6% from approximately RMB2,176.5 million as at 31 December 2025 to approximately RMB1,945.8 million as at 30 June 2026. Due to the combined effect of the significant decrease in cost of sales and payment schedule, the average trade payables turnover days extended from approximately 672 days for the corresponding period last year to approximately 1,352 days.

LIQUIDITY AND FINANCIAL RESOURCES

During 1H2026, the Group financed its operations primarily through cash flow from operations and cash balance on hand. As at 30 June 2026, the Group had cash and cash equivalents of approximately RMB142.8 million, which accounted for 7.6% of the Group's net assets (31 December 2025: cash and cash equivalents of approximately RMB322.6 million).

As at 30 June 2026, the Group's indebtedness consisted of short-term bank loans of approximately RMB165.3 million with an average interest rate of 2.7% per annum, long-term bank loans of approximately RMB49.7 million with an interest rate of 2.9% per annum, and long-term and short-term secured borrowings of approximately RMB64.7 million with an interest rate of 4.6% per annum.

As at 30 June 2026, the Group's debts were primarily bank loans denominated in RMB. Cash and cash equivalents were primarily bank deposits and cash on hand denominated in RMB, USD, HKD and SGD, and deposits that were readily convertible into known amounts of cash.

As at 30 June 2026, the net debt of the Group was approximately RMB136.9 million (31 December 2025: net debt of approximately RMB2.5 million). Gearing ratio, defined as loans and borrowings divided by total assets, was approximately 6.4% (31 December 2025: approximately 6.7%).

PLEDGE OF ASSETS

As at 30 June 2026, 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, as well as the comprehensive energy efficiency improvement project for Tianhe Thermal Power Plant (天河熱電廠) and its heating supply area, securing borrowings with an outstanding balance of approximately RMB64.7 million at 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, 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 1H2026, 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 30 June 2026, 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 shares held by the shareholders of the Group (the “Shareholders”) in such capacity and classified as Shareholders’ equity, or that were not reflected in its financial statements. Moreover, the Group did not have any retained or contingent interest in such assets that were transferred to unconsolidated entities to provide credit, liquidity or market risk support service for such entities.

EMPLOYEE, TRAINING AND DEVELOPMENT

As at 30 June 2026, the Group had a total of 575 employees compared to 662 employees as at 30 June 2025. Total staff costs decreased from approximately RMB88.0 million for 1H2025 to approximately RMB79.8 million for 1H2026.

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

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

MATERIAL ACQUISITIONS AND DISPOSALS

For the six months ended 30 June 2026, the Group had no material acquisition or disposal of subsidiaries or associates.

SIGNIFICANT INVESTMENTS

For the six months ended 30 June 2026, 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 30 June 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2026, except that the chairman of the board and the chairmen or other members of the audit committee, the nomination committee and the remuneration committee could not attend the annual general meeting held on 12 June 2026 due to their other business engagements, the Company complied with all code provisions and, where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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

The Company has also adopted the Model Code set out in Appendix C3 of the Listing Rules throughout the six months ended 30 June 2026 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 throughout the six months ended 30 June 2026.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Directors confirm that disclosure of financial information in this interim report complies with Appendix D2 of the Listing Rules. The audit committee of the Company has held meetings to discuss the internal controls and financial reporting matters of the Company, including the review of the interim results and the unaudited consolidated interim financial statements for the six months ended 30 June 2026. The interim financial report is unaudited.

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

During the six months ended 30 June 2026, 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).

As at 30 June 2026, the number of treasury shares held by the Company is nil.

DIVIDENDS

The Board has not recommended the payment of any interim dividend for the six months ended 30 June 2026.

CHANGES IN INFORMATION OF DIRECTORS

During the six months ended 30 June 2026 and up to the date of this report, there were changes in the composition of the Board as follows:

- (i) Mr. Li Chengfu resigned as a non-executive Director, the chairman of the Board, a member of nomination committee of the Company, a member of remuneration committee of the Company, the chairman of risk management committee of the Company and an authorised representative of the Company under Rule 3.05 of the Listing Rules with effect from 27 March 2026;
- (ii) Ms. Zhang Yanhua resigned as a non-executive Director and a member of risk management committee of the Company with effect from 27 March 2026;
- (iii) Mr. Han Tao was appointed as a non-executive Director, the chairman of the Board, a member of nomination committee of the Company, a member of remuneration committee of the Company, the chairman of risk management committee of the Company and an authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules with effect from 27 March 2026; and
- (iv) Mr. Gao Peifeng was appointed as a non-executive Director and a member of risk management committee of the Company with effect from 27 March 2026.

Save as disclosed above, there is no change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 30 June 2026, 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 of the Company (the "Shares") and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 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:

Long positions in the Company

Name of Director/ chief executive	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of interest in the issued share capital of the Company
Mr. Zhao Xiaobo	Beneficial owner	8,728,000	1.12%

Corporate Governance and Other Information (Continued)

Save as disclosed above, as at 30 June 2026, 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.

During the six months ended 30 June 2026, at no time was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) to hold any interest or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Substantial shareholders' interests and short positions in Shares and underlying Shares

So far as is known to any Director or chief executive of the Company, as at 30 June 2026, the persons or corporations (other than the Directors or chief executive of the Company) who had interest or short positions in the Shares and underlying Shares of the Company which were required 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 under section 336 of the SFO were as follows:

Name of Shareholders	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of interest in the issued share capital of the Company
Tsinghua Tongfang Co., Ltd (同方股份有限公司)	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: Tsinghua Tongfang Co., Ltd (同方股份有限公司) ("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 30 June 2026, 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.

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi (“RMB”))

		Six months ended 30 June	
	Note	2026 RMB'000	2025 RMB'000
Revenue	3, 4	196,764	665,473
Cost of sales		(230,143)	(544,393)
Gross (loss)/profit		(33,379)	121,080
Other revenue		14,026	10,879
Other net (loss)/gain		(500)	14,354
Selling and distribution costs		(26,694)	(28,008)
Administrative and other operating expenses		(171,652)	(115,055)
Impairment loss on trade and other receivables and contract assets		(40,073)	(8,975)
Loss from operations		(258,272)	(5,725)
Finance costs	5(a)	(4,369)	(5,029)
Loss before taxation		(262,641)	(10,754)
Income tax	6	1,866	3,091
Loss for the period		(260,775)	(7,663)
Loss attributable to:			
Equity shareholders of the Company		(257,121)	(6,492)
Non-controlling interests		(3,654)	(1,171)
Loss for the period		(260,775)	(7,663)
Loss per share	7		
– Basic (RMB)		(0.33)	(0.01)
– Diluted (RMB)		(0.33)	(0.01)

The accompanying notes form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 14(c).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi (“RMB”))

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Loss for the period	(260,775)	(7,663)
Other comprehensive income for the period		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	(128)	(90)
Total comprehensive income for the period	(260,903)	(7,753)
Attributable to:		
Equity shareholders of the Company	(257,249)	(6,582)
Non-controlling interests	(3,654)	(1,171)
Total comprehensive income for the period	(260,903)	(7,753)

The accompanying notes form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in Renminbi (“RMB”))

		At 30 June 2026	At 31 December 2025
	Note	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	8	84,629	82,408
Intangible assets	9	343,140	461,952
Financial assets measured at amortised cost	10	467,614	570,422
Deferred tax assets		61,123	57,210
		956,506	1,171,992
Current assets			
Inventories		1,029,129	1,052,166
Contract assets		649,597	720,214
Trade and other receivables	11	1,429,095	1,481,438
Prepayments		131,316	113,491
Bank deposits and cash on hand	12	142,782	322,579
		3,381,919	3,689,888
Current liabilities			
Trade and other payables	13	1,945,802	2,176,472
Contract liabilities		191,983	184,509
Loans and borrowings		181,997	263,670
Lease liabilities		440	446
Income tax payable		36,617	31,877
		2,356,839	2,656,974
Net current assets		1,025,080	1,032,914
Total assets less current liabilities		1,981,586	2,204,906

The accompanying notes form part of this interim financial report.

Consolidated Statement of Financial Position (Continued)

At 30 June 2026 – unaudited
(Expressed in Renminbi (“RMB”))

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Deferred tax liabilities		–	463
Deferred income		6,190	6,364
Loans and borrowings		97,675	61,405
Lease liabilities		216	446
Long-term payables		992	992
		105,073	69,670
NET ASSETS		1,876,513	2,135,236
CAPITAL AND RESERVES			
Share capital	14	1,189,968	1,189,968
Reserves		672,379	929,628
Total equity attributable to equity shareholders of the Company		1,862,347	2,119,596
Non-controlling interests		14,166	15,640
TOTAL EQUITY		1,876,513	2,135,236

Approved and authorised for issue by the board of directors on 28 August 2026.

	)	
Zhao Xiaobo	)	
Qin Bing	)	Directors
	)	
	)	

The accompanying notes form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi (“RMB”))

	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Statutory reserves	Translation reserve	Other reserves	Special reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 14(a)			Note 14(b)	Note 14(d)				
Balance at 1 January 2025	1,189,968	196,491	44,457	(537,048)	–	1,719,892	2,613,760	19,206	2,632,966
Loss for the period	–	–	–	–	–	(6,492)	(6,492)	(1,171)	(7,663)
Other comprehensive income	–	–	(90)	–	–	–	(90)	–	(90)
Total comprehensive income for the period	–	–	(90)	–	–	(6,492)	(6,582)	(1,171)	(7,753)
Appropriation of safety production fund	–	–	–	–	392	(392)	–	–	–
Utilisation of safety production fund	–	–	–	–	(392)	392	–	–	–
Balance at 30 June 2025	1,189,968	196,491	44,367	(537,048)	–	1,713,400	2,607,178	18,035	2,625,213

	Attributable to equity shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Statutory reserves	Translation reserve	Other reserves	Special reserves	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 14(a)			Note 14(b)	Note 14(d)				
Balance at 1 January 2026	1,189,968	197,903	44,128	(537,048)	–	1,224,645	2,119,596	15,640	2,135,236
Loss for the period	–	–	–	–	–	(257,121)	(257,121)	(3,654)	(260,775)
Other comprehensive income	–	–	(128)	–	–	–	(128)	–	(128)
Total comprehensive income for the period	–	–	(128)	–	–	(257,121)	(257,249)	(3,654)	(260,903)
Appropriation of safety production fund	–	–	–	–	133	(133)	–	–	–
Utilisation of safety production fund	–	–	–	–	(133)	133	–	–	–
Disposal of a subsidiary	–	–	–	–	–	–	–	2,180	2,180
Balance at 30 June 2026	1,189,968	197,903	44,000	(537,048)	–	967,524	1,862,347	14,166	1,876,513

The accompanying notes form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2026 RMB'000	2025 RMB'000
Operating activities			
Cash used in operations		(132,036)	(220,331)
Income tax paid		(831)	(2,838)
Net cash used in operating activities		(132,867)	(223,169)
Net cash generated from/(used in) investing activities		2,709	(6,062)
Financing activities			
Proceeds from loans and borrowings		175,000	232,000
Repayment of loans and borrowings		(220,403)	(239,588)
Other cash flows arising from financing activities		(14,323)	(5,714)
Net cash used in financing activities		(59,726)	(13,302)
Net decrease in cash and cash equivalents		(189,884)	(242,533)
Cash and cash equivalents at 1 January		308,158	339,697
Effect of foreign exchange rates changes		340	(124)
Cash and cash equivalents at 30 June	12	118,614	97,040

The accompanying notes form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report of Technovator International Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 28 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION (CONTINUED)

During the six months ended 30 June 2026, the Group incurred net loss of RMB260,775,000 (six months ended 30 June 2025: RMB7,663,000) and recorded net operating cash outflows of RMB132,867,000 (six months ended 30 June 2025: RMB223,169,000). Under such circumstances, the directors of the Company have been undertaking certain measures to improve the Group's liquidity and financial position, including:

- (i) As at 30 June 2026, the Group has unused credit facility of RMB120,302,000 to meet its potential liquidity needs;
- (ii) Regarding short-term borrowings of RMB165,275,000, the Group is actively discussing with its banks for renewal of bank borrowings. Based on historical experience, the directors are of the opinion that the Group will be able to either renew or obtain new banking facilities to supplement liquidity of the Group at adequate level during the next twelve months; and
- (iii) Based on a cash flow forecast of the Group for the twelve months ending 30 June 2027 prepared by the management, the Group would have adequate funds to meet its liabilities as and when they fall due for at least twelve months from the end of the reporting period.

Accordingly, the directors are of the opinion that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern as at 30 June 2026. The directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

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

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

3 REVENUE

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

Disaggregation of revenue

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

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenue from smart transportation business	75,266	93,397
Revenue from smart building and complex business	51,679	246,297
Revenue from smart energy business	69,819	325,779
	196,764	665,473

4 SEGMENT REPORTING

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

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

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

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

4 SEGMENT REPORTING (CONTINUED)

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

(a) Information about reportable segments

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

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

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

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

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

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

4 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 six months ended 30 June 2026 and 2025 are set out below:

For the six months ended	STB		SBB		SEB		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by timing of revenue recognition								
Point in time	2,818	6,782	10,672	49,575	5,620	75,032	19,110	131,389
Over time	72,448	86,615	41,007	196,722	64,199	250,747	177,654	534,084
Revenue from external customers	75,266	93,397	51,679	246,297	69,819	325,779	196,764	665,473
Inter-segment revenue	-	-	-	-	-	-	-	-
Reportable segment revenue	75,266	93,397	51,679	246,297	69,819	325,779	196,764	665,473
Reportable segment (loss)/profit	(61,293)	(5,819)	(62,447)	687	(60,255)	66,927	(183,995)	61,795
Interest income	90	91	477	371	11,122	10,012	11,689	10,474
Impairment loss on trade and other receivables and contract assets	(23,098)	(2,139)	(11,667)	(5,073)	(5,308)	(1,763)	(40,073)	(8,975)
Impairment loss on property, plant and equipment	-	-	(1,047)	-	(2,365)	-	(3,412)	-
Impairment loss on intangible assets	(12,473)	-	(19,701)	-	(13,629)	-	(45,803)	-
Impairment loss on prepayments	(3,028)	(342)	(2,097)	(837)	(2,149)	(1,399)	(7,274)	(2,578)

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

4 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Reportable segment (loss)/profit	(183,995)	61,795
Depreciation and amortisation	(68,014)	(60,898)
Finance costs	(4,369)	(5,029)
Unallocated head office and corporate expenses	(6,263)	(6,622)
Consolidated loss before taxation	(262,641)	(10,754)

(c) Geographic information

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

5 LOSS BEFORE TAXATION

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

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
(a) Finance costs		
Interest on loans and borrowings	3,021	4,119
Interest on lease liabilities	1,348	910
	4,369	5,029

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

5 LOSS BEFORE TAXATION (CONTINUED)

Six months ended 30 June		
	2026	2025
	RMB'000	RMB'000
(b) Other items		
Research and development expenses	19,808	43,401
Amortisation	66,707	53,841
Depreciation		
– owned property, plant and equipment	1,036	6,080
– right-of-use assets	271	977
Interest income	(11,688)	(10,474)

6 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

Six months ended 30 June		
	2026	2025
	RMB'000	RMB'000
Current tax		
– provision for the year	69	81
– over-provision in respect of prior years	(268)	(916)
Deferred tax	(1,667)	(2,256)
	(1,866)	(3,091)

Notes:

- (i) The Company is subject to Singapore corporate income tax at 17% for the six months ended 30 June 2026 and 2025. No provision for Singapore income tax was made because the Company sustained tax losses for the period.
- (ii) The subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25%.
- The subsidiary of the Group established in the Cayman Islands is not subject to any income tax pursuant to the rules and regulations of the Cayman Islands.
- The subsidiary of the Group incorporated in Hong Kong is subject to Hong Kong Profits Tax rate of 16.5% for the six months ended 30 June 2026 and 2025.
- (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.

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

7 LOSS PER SHARE

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

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB257,121,000 (six months ended 30 June 2025: loss of RMB6,492,000) and the weighted average of 782,192,189 ordinary shares (2025: 782,192,189 shares) in issue during the interim period.

(b) Diluted loss per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2026 and 2025.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired certain items of property, plant and equipment with costs of RMB8,543,000 (six months ended 30 June 2025: RMB3,373,000).

During the six months ended 30 June 2026, impairment loss of RMB1,047,000 and RMB2,365,000 in relation to SBB and SEB segment were recognised in “Administrative and other operating expenses” to reduce the carrying amount of these property, plant and equipment to their recoverable amount. Details of impairment test relating to CGUs containing property, plant and equipment and intangible assets are set out in note 9.

9 INTANGIBLE ASSETS

The Group has entered into a service concession arrangement with certain government authorities in the PRC on a Build-operate-transfer (“BOT”) basis in respect of its heating or power supplying service. Pursuant to the service concession arrangement contracts, the Group (i) is responsible for the construction of the underlying assets, and the acquisition of the related facilities and equipment; (ii) has the contractual obligations to maintain the infrastructure at a specified level of serviceability and also maintain the infrastructure to an acceptable level of working conditions before handing over the infrastructure to the grantors; and (iii) is entitled to operate the underlying assets upon completion for a specified concession period for 20 to 30 years by charging user or grantors of the public service. The Group will not hold any residual interest in the underlying assets upon expiration of the concession period. As such, the service concession arrangement contracts are accounted for as service concession arrangements and an intangible asset was recognised at an amount equal to the fair value of the consideration for provision of construction service upon initial recognition.

Impairment test for cash-generating units containing property, plant and equipment and intangible assets

During the six months ended 30 June 2026, the Group’s operating results in the STB, SBB and SEB CGUs were lower than originally budgeted, as a result of the slowing down of economic growth in the industry and the intense market competition. The Group assessed the recoverable amounts of the assets comprising the STB, SBB and SEB CGUs in relation to their operations.

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

9 INTANGIBLE ASSETS (CONTINUED)

The recoverable amounts of the CGUs are determined based on value-in-use calculations with a period of 15 years. The Group engaged an independent professional valuer to assist with the calculation. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amounts are as follows:

	At 30 June 2026		
	STB	SBB	SEB
Annual revenue growth rate during the forecast period	6%	10%	2%
Gross profit margin	18.3%	13.5–18.9%	22.4%
Growth rate beyond the forecast period	0%	0%	0%
Pre-tax discount rate	9.4%	10.0%	8.7%

	At 31 December 2025	
	STB	SBB
Annual revenue growth rate during the forecast period	6%	10%
Gross profit margin	18.3–18.8%	13.5–18.9%
Growth rate beyond the forecast period	0%	0%
Pre-tax discount rate	9.8%	10.3%

As at 30 June 2026, the recoverable amounts of the STB, SBB and SEB CGUs were RMB33,000,000, RMB87,000,000 and RMB307,000,000, respectively, which were lower than their carrying amounts. The impairment loss of RMB12,473,000, RMB19,701,000 and RMB13,629,000 were recognised in “Administrative and other operating expenses”. As the CGUs have been reduced to their recoverable amounts, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

10 FINANCIAL ASSETS MEASURED AT AMORTISED COST

As at 30 June 2026, the balance of other financial assets mainly represents long-term trade receivables of certain construction projects which are repayable by instalments over a 2 to 12 years period.

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

11 TRADE AND OTHER RECEIVABLES

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

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current	1,225,612	1,347,641
Less than 1 month past due	3,370	4,592
More than 1 month but less than 3 months past due	10,804	11,668
More than 3 months but less than 12 months past due	99,997	31,106
More than 12 months past due	32,997	36,476
Trade debtors and bills receivable, net of allowance for doubtful debts	1,372,780	1,431,483
Other receivables	56,315	49,955
	1,429,095	1,481,438

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

12 BANK DEPOSITS AND CASH ON HAND

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Deposits with banks and other financial institutions	24,168	14,421
Cash at bank and on hand	118,614	308,158
Bank deposits and cash on hand in the consolidated statement of financial position	142,782	322,579
Restricted deposit	(24,168)	(14,421)
Cash and cash equivalents in the consolidated cash flow statements	118,614	308,158

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

13 TRADE AND OTHER PAYABLES

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

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
By date of invoice:		
Within 3 months	1,154,277	1,302,036
More than 3 months but within 6 months	64,437	135,661
More than 6 months but within 12 months	122,288	70,117
More than 12 months	361,844	461,176
Total creditors and bills payable	1,702,846	1,968,990
Other payables and accruals	242,956	207,482
	1,945,802	2,176,472

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	At 30 June 2026		At 31 December 2025	
	Number of shares	Amounts RMB'000	Number of shares	Amounts RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	782,192,189	1,189,968	782,192,189	1,189,968
Share repurchased and cancelled	—	—	—	—
At 30 June/31 December	782,192,189	1,189,968	782,192,189	1,189,968

(b) Other reserves

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

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

14 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Dividends

The Company has not declared interim dividend attributable to the six months ended 30 June 2026 and 2025.

(d) Special reserves

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

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

16 COMMITMENTS

Capital commitments outstanding not provided for in the financial statements were as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Contracted for	53,000	94,615

17 MATERIAL RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

During the six months ended 30 June 2026 and 2025, transactions with the following parties are considered as related party transactions:

Name of parties

THTF* (同方股份有限公司)

Tongfang Industrial Co., Ltd.* (同方工業有限公司)

Tsinghua Tongfang Artificial Environment Co., Ltd.* ("Tongfang Artificial") (同方人工環境有限公司)

Tongfang Intelligent Energy Co., Ltd.* (同方智慧能源有限責任公司)

Beijing Tongfang Property Management Co., Ltd.* (北京同方物業管理有限公司)

NUCTECH Co., Ltd.* (同方威視技術股份有限公司)

Wuxi Tongfang Artificial Environment Co., Ltd.* (無錫同方人工環境有限公司)

Tongfang Kawasaki Advanced Energy-saving Machine Co., Ltd.* (同方節能裝備有限公司)

* The official name of these entities is in Chinese. The English translation of the name is for reference only.

THTF is the controlling shareholder of the Company, incorporated in the PRC and produces financial statements available for public use. Other related parties listed above are subsidiaries of THTF or China National Nuclear Corporation ("CNNC").

Notes to the Unaudited Interim Financial Report (Continued)

(Expressed in RMB unless otherwise indicated)

17 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Material related party transactions

Particulars of material related party transactions during the six months ended 30 June 2026 and 2025 are as follows:

	2026 RMB'000	2025 RMB'000
Sales to THTF and its subsidiaries	1,381	153,942
Purchases from THTF and its subsidiaries	17,482	11,849
Receipt of miscellaneous products and services from THTF and its subsidiaries	6,822	6,882
Provide miscellaneous products and services to THTF and its subsidiaries	—	4,425
Payments transferred by THTF to the Group	259,917	240,668
Payments transferred by the Group to THTF	198,386	196,792
Sales to CNNC and its subsidiaries	8,091	10,501
Purchases from CNNC and its subsidiaries	145	1,692

Other than the above related party transactions, certain trademarks are used by the Group in the PRC licensed by THTF at nil consideration.

(c) Transactions with other state-controlled entities in the PRC

The controlling shareholder of the Company, THTF, is a state-controlled enterprise controlled by the PRC government. Apart from transactions with THTF and its subsidiaries and associate which were disclosed in Note 17(a) above, the Group also has transactions with other state-controlled entities, included but not limited to the following:

- sales of products and provision of services;
- purchase of materials; and
- bank deposits and borrowings.