


TECHNOVATOR 1H2013 PROFIT UP 27.5% TO US\$7.3 MILLION

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**STRENGTHENS ITS BRAND RECOGNITION AND MARKET POSITION
 THROUGH CONTINUOUS ENHANCEMENT OF R&D**
Financial Highlights (unaudited)

<i>(US\$ million)</i>	Six Months Ended 30 June		
	2013	2012	Change
Revenue	59.8	49.3	+21.3%
Gross Profit	24.2	19.8	+22.6%
Profit for the Period	7.3	5.7	+27.5%
Profit Attributable to Equity Holders of the Company	6.2	4.8	+30.2%
Basic Earnings per Share (US\$)	0.012	0.010	-

(19 August 2013, Hong Kong) - **Technovator International Limited** (“Technovator” or the “Group”, HKEx: 1206), a leading provider of building energy saving management systems and solutions services, today announced its unaudited interim results for the six months ended 30 June 2013.

During the period under review, the Group achieved stable growth in both revenue and profit. Revenue increased by 21.3% to approximately US\$59.8 million, while profit attributable to the equity holders of the Company rose by 30.2% to US\$6.2 million. The growth of revenue was mainly due to the Group’s increasing investment in R&D as well as constantly developing new hardware and software products with innovative technical upgrades, in order to meet customer's various demands driven by the market. In addition, the Group also devoted to the development and expansion of its sales and distribution network with the objective to facilitate the localized application of its products and technologies.

Basic earnings per share were US\$0.012. The Group was in a healthy and sound financial position. The gearing ratio was 7.6%, cash and cash equivalents amounted to approximately US\$49.1 million, and net cash amounted to approximately US\$35.1 million.

The acceleration of urbanization in the PRC and strong demand for building energy saving management around the globe has presented tremendous opportunities to the global building energy saving market. Currently, the intelligent building industry market in China exceeds RMB400 billion, of which the total investment for public construction and commercial properties amounted to RMB320 billion. The industry is expected to see significant growth in the coming years. By 2020, it is expected that the total production value for China's energy saving and environment protection industry will exceed RMB5,000 billion while the building energy saving market will exceed RMB1,500 billion, offering huge room for development.

Mr Zhao Xiaobo, Executive Director and Chief Executive Officer of Technovator, said, "Riding on the current favourable market conditions, we believe the Group will maintain steady growth in the future, supported by its superb technology and R&D team, continuous enhancement of its sales and marketing network, and the increasing popularity of the Energy Management Contract ("EMC") business model, coupled with the gradual implementation of the Group's strategic cooperation and acquisition strategy."

Continuous Enhancement in R&D

As a forerunner in the building energy saving sector, the Group has constantly strived to design, research and develop all-round energy saving solutions and new hardware and software products. In order to consolidate its technical expertise and sharpen its global competitiveness, the Group has invested US\$6.2 million in R&D, which represented 10.3% of its revenue. In addition, the Group has continued to explore collaboration with renowned international enterprises, so as to further enhance its R&D capabilities and achieve a win-win situation.

The Group has set up three R&D centres around the world, including the research institute on building energy saving located in Beijing. The institute focuses on the research of core theories and calculations on building energy saving, as well as the development and upgrade of the Energy Managing System software. Moreover, the E-Cloud Service Centre, which has been established and commenced operation during the period, is the first cloud-based energy saving monitoring platform in the PRC. The Centre provides services such as high-end monitoring, and measurement and analysis of energy consumption for the players at various levels within the construction industry.

Thriving Prospects for the PRC Market

The Chinese government has been increasingly focusing on building energy saving and has issued a series of related policies and regulations. In response to the 12th Five Year Plan, the Ministry of Housing and Urban Development in China has put forward the Chinese Green Building Movement Plan to support industry development by setting indicators for building energy saving policies. Awareness of building energy efficiency has been increasing in the PRC. Various municipal governments have announced energy policies, driving the Group's revenue from the PRC market up 24.2% to about US\$32.8 million, accounting for 54.9% of revenue.

During the period under review, the Group was involved in numerous large-scale projects which are either under discussion or at a stage of cooperation, including providing large-scale comprehensive energy saving services for municipal public utilities. In March 2013, the Group has participated in the Karamay Project in Xinjiang. The Group was responsible for supplying energy-saving equipment for the project, which is to carry out smart system construction works in the building complex of the cultural and sports centre in the city. The Group believes that the project can present more business opportunities for the Group in the city. Furthermore, the Group implemented the overall energy saving refurbishment of a central heating engineering project in Taiyuan, which realized energy saving efficiency in the first heat supplying season during the period. Such a mega-scale project represents another important milestone for Technovator in the realm of city heating and energy saving. Besides, the adoption of the EMC model has enabled the Group to share profits generated from energy saving with building owners. It is expected that more similar projects on a large scale are to be launched in the future under green city development initiatives promoted by municipal governments.

Moreover, the Group's trial works for the urbanization of building energy saving in Chongqing City has attained good results at the initial stage and has earned recognition from the city government. The Group is to complete energy saving retrofitting for buildings covering more than two million square metres in Chongqing by 2015 under the EMC model. It is expected the EMC model will be one of the key government policies in promoting building energy saving leveraged by financial incentives and tax treatment provided by the Central and local Chinese governments. Currently, several cities including Wuhan and Changsha have expressed their wish to cooperate with the Group to launch government energy saving retrofitting. The Group intends to invest more resources in exploring and implementing the EMC model as that model is expected to become its new revenue growth engine.

Stable Development in Overseas Markets

With rapidly rising energy costs, the continuing depletion of energy reserves and climate change, countries around the globe have started to put forward proposals on energy saving issues. Corresponding government policies, laws and regulations have been introduced. To capture the huge demand for building retrofitting in overseas markets, the Group has strengthened its sales and market strategies. Currently, the Group has established a close business relationship with more than 200 systems integrators and 100 distributors worldwide. At the same time, the Group was striving for win-win partnerships with renowned enterprises and institutions, so as to expand its scope for innovation and diversify its product portfolio.

Technovator has achieved stable development in overseas markets during the period under review. The Group has mainly focused on offering energy saving management services to clients of mega-sized chain stores, securing numerous large contracts. Revenue in the North American market increased by 3.3% to approximately US\$14.6 million, while revenue from the rest of the world also rose 41.4% to about US\$12.4 million.

As the green building industry is also burgeoning in Southeast Asia, a number of zero-energy-consuming green buildings have begun to appear in Southeast Asian countries, such as Singapore, Malaysia and Thailand. To tap the huge market potential, the Group has strived to set up a well-developed sales and distribution network in order to strengthen its reach across the region.

In March 2013, the Group has introduced several institutional and strategic investors in Distech Controls, which has enhanced the shareholding structure of this subsidiary, provided additional working capital for business development and increased the market competitiveness of the Group. This investment also indicated their strong confidence in the Group's overseas business.

Mr Zhao concluded, "Looking ahead, the Group will invest more resources to strengthen its R&D capabilities and its partnerships with international leading technology companies and institutions, coupled with further enhancement of its R&D edge with an aim to maintain its leading technological position in the building energy saving industry. Meanwhile, we will devote more effort to expand the global sales and marketing network. By leading small and medium-sized enterprises through cooperation and technological support, it will facilitate the Group's business expansion, and local application of its products and services. In this way we will seize the energy saving retrofitting opportunities arising from urbanization in second- and third-tier cities, while increasing the proportion of large-scale landmark projects in first-tier cities. Furthermore, we will continue to hunt for strategic M&A and alliance opportunities to extend our business reach, while enhancing our brand and global market share, so as to achieve a leap forward in our development."

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About Technovator International Limited

Established in 2005, Technovator International Limited is a leading provider of building energy saving management systems and solutions services, with a scalable vertically-integrated global business model. Supported by a worldwide sales network, the Company operates with a global footprint in five countries around the world including China, Canada, France, Singapore and the US, and ranked the largest domestic player in the China market. Technovator offers comprehensive energy-saving solutions for building environments around the world under two well-recognized brands: “Techcon” in China and “Distech Controls” in overseas markets, and has won many domestic and international awards and accreditations. Technovator has been included within the Forbes list twice, the only company in the intelligent building management industry to be thus selected.

The Company’s largest shareholder is the Shanghai-listed Tongfang Co., Ltd. which was established under the umbrella of the world renowned Tsinghua University (SSE:600100). As a result, Technovator enjoys the solid support of the research and talent platform of Tongfang Co. Ltd. and Tsinghua University. With its listing on the Main Board of the Stock Exchange of Hong Kong in October 2011, Technovator, is the first company from Tsinghua University to be listed overseas, and also represents the first spin-off listing of an international tech company on an overseas stock exchange from a mainland China A-share listed company.

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