ESTUN AUTOMATION CO., LTD
南京埃斯頓自動化股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2715)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL HIGHLIGHTS

- For the year ended December 31, 2025, the Group's revenue amounted to RMB4,888.01 million (2024: revenue of RMB4,008.77 million), representing an increase of approximately 21.93%.

- For the year ended December 31, 2025, the Group's gross profit was RMB1,415.21 million (2024: gross profit of RMB1,134.03 million), representing increases of approximately 24.79%.

- For the year ended December 31, 2025, the Group's profit attributable to equity shareholders of the Company amounted to RMB41.34 million (2024: net loss attributable to equity shareholders of the Company of RMB810.93 million), representing a turnaround from loss to profit as compared with 2024.

- For the year ended December 31, 2025, the Group recorded net cash inflow from operating activities of RMB505.22 million (2024: net cash outflow from operating activities of RMB104.04 million).

- For the year ended December 31, 2025, the Group's EBITDA and adjusted EBITDA*Note* amounted to RMB422.73 million and RMB447.65 million, respectively (2024: loss of RMB437.77 million and RMB66.85 million, respectively).

Note: EBITDA (non-IFRS measure) is defined as profit or loss before taxation adjusted by adding back (i) finance costs, and (ii) depreciation and amortization, and deducting interest income from bank deposits. Adjusted EBITDA (non-IFRS measure) is defined as EBITDA adjusted by adding back (i)equity-settled share-based payment expenses, (ii) impairment loss on intangible assets and goodwill, and (iii) listing expenses.

The board of directors (the "**Board**") of ESTUN AUTOMATION CO., LTD (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended December 31, 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024, which shall be read in conjunction with the management discussion and analysis in this announcement.

In this announcement, "we", "us" and "our" refer to the Company or, where the context otherwise requires, the Group. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the prospectus of the Company dated February 27, 2026 (the "**Prospectus**").

FINANCIAL RESULTS

Financial information extracted from the audited consolidated financial statements of the Group for 2025 prepared in accordance with IFRS Accounting Standards are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025
(Expressed in RMB)

	Note	**2025** **RMB'000**	2024 RMB'000
Revenue	3	**4,888,011**	4,008,772
Cost of sales		**(3,472,806)**	(2,874,742)
Gross profit		**1,415,205**	1,134,030
Other net income	4	**125,571**	123,035
Selling expenses		**(449,282)**	(445,689)
Administrative expenses		**(427,479)**	(550,149)
Research and development expenses		**(418,658)**	(442,233)
Impairment loss on trade receivables and contract assets		**(2,295)**	(62,689)
Impairment loss on intangible assets and goodwill		**(106)**	(360,467)
Profit/(loss) from operations		**242,956**	(604,162)
Finance costs	5(a)	**(165,677)**	(154,193)
Share of profits less losses of associates		**(3,475)**	(17,169)
Profit/(loss) before taxation	5	**73,804**	(775,524)
Income tax	6	**(32,119)**	(42,161)
Profit/(loss) for the year		**41,685**	(817,685)
Attributable to:			
Equity shareholders of the Company		**41,341**	(810,929)
Non-controlling interests		**344**	(6,756)
Profit/(loss) for the year		**41,685**	(817,685)
Earnings/(loss) per share			
Basic and diluted (RMB)	7	**0.05**	(0.94)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025
(Expressed in RMB)

	2025 *RMB'000*	2024 *RMB'000*
Profit/(loss) for the year	**41,685**	(817,685)
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income ("**FVOCI**") - net movement in fair value reserves (non-recycling)	**(16,201)**	21,297
Items that are or may be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit plan obligations of overseas entities	**840**	(8,403)
Exchange differences on translation of financial statements of overseas entities	**123,148**	(70,476)
Other comprehensive income for the year	**107,787**	(57,582)
Total comprehensive income for the year	**149,472**	(875,267)
Attributable to:		
Equity shareholders of the Company	**149,128**	(868,511)
Non-controlling interests	**344**	(6,756)
Total comprehensive income for the year	**149,472**	(875,267)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	8	**1,594,866**	1,513,277
Investment property		**52,525**	–
Right-of-use assets	9	**256,298**	267,756
Intangible assets	10	**498,395**	560,502
Goodwill	11	**1,030,155**	1,104,079
Interests in associates		**41,187**	46,308
Financial assets measured at FVOCI	12	**172,571**	180,208
Financial assets measured at fair value through profit or loss ("**FVPL**")	13	**241,984**	213,732
Trade and other receivables	16	**37,812**	18,652
Deferred tax assets		**165,479**	172,630
		4,091,272	4,077,144
Current assets			
Inventories	14	**1,477,632**	1,721,045
Contract assets	15(a)	**206,879**	168,646
Trade and other receivables	16	**2,623,364**	2,557,475
Income tax recoverable		**40,083**	30,740
Financial assets measured at FVPL	13	**82,129**	388,913
Restricted bank deposits	17(a)	**19,211**	15,832
Cash and cash equivalents	17(a)	**876,390**	1,181,104
		5,325,688	6,063,755
Current liabilities			
Trade and other payables	18	**2,544,941**	2,555,557
Contract liabilities	15(b)	**586,305**	505,014
Bank loans and other borrowings	19	**2,044,440**	2,929,370
Lease liabilities		**17,129**	20,120
Income tax payable		**14,603**	2,271
		5,207,418	6,012,332
Net current assets		**118,270**	51,423
Total assets less current liabilities		**4,209,542**	4,128,567

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At December 31, 2025
(Expressed in RMB)

	Note	**2025** **RMB'000**	*2024* *RMB'000*
Non-current liabilities			
Bank loans and other borrowings	*19*	**1,680,011**	1,792,601
Lease liabilities		**72,457**	67,300
Defined benefit plan obligations	*20*	**219,605**	201,582
Deferred income		**100,573**	68,055
Provisions		**40,170**	37,144
Deferred tax liabilities		**75,577**	66,795
Other non-current liabilities		**2,271**	2,388
		2,190,664	2,235,865
Net assets		**2,018,878**	1,892,702
Capital and reserves			
Share capital		**871,018**	869,531
Reserves		**1,090,315**	919,001
Total equity attributable to equity shareholders of the Company		**1,961,333**	1,788,532
Non-controlling interests		**57,545**	104,170
Total equity		**2,018,878**	1,892,702

CONSOLIDATED CASH FLOW STATEMENT
For the year ended December 31, 2025
(Expressed in RMB)

	2025	2024
	RMB'000	*RMB'000*
Operating activities		
Cash generated from/(used in) operations	**536,853**	(53,932)
Income tax paid	**(31,633)**	(50,103)
Net cash generated from/(used in) operating activities	**505,220**	(104,035)
Investing activities		
Payment for purchase of property, plant and equipment, intangible assets and right-of-use assets	**(261,782)**	(281,881)
Payment for development costs	**(45,689)**	(60,684)
Proceeds from disposal of property, plant and equipment	**2,971**	13,281
Net proceeds from disposal of interests in subsidiaries	**11,701**	–
Net proceeds from disposal of interests in associates	**208,954**	24,000
Proceeds from disposal of financial assets measured at FVPL	**–**	75,000
Payment for acquisition of a subsidiary, net of cash acquired	**–**	(4,991)
Payment for purchase of financial assets measured at FVOCI	**(16,500)**	–
Payment for purchase of wealth management products	**(1,858,980)**	(1,773,172)
Proceeds from redemption of wealth management products	**2,106,898**	1,803,679
Interest received	**7,276**	11,602
Dividends received from financial assets measured at FVPL	**5,428**	52
Dividends received from associates	**926**	620
Net cash generated from/(used in) investing activities	**161,203**	(192,494)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the year ended December 31, 2025
(Expressed in RMB)

	2025	2024
	RMB'000	*RMB'000*
Financing activities		
Proceeds from bank loans	**2,853,858**	3,515,466
Repayment of bank loans	**(3,744,910)**	(3,046,284)
Interest paid for bank loans	**(126,056)**	(124,406)
Proceeds from other borrowings	**–**	35,000
Payment for capital element of lease liabilities	**(20,357)**	(16,188)
Payment for interest element of lease liabilities	**(4,526)**	(1,866)
Repayments of borrowings from the controlling shareholder	**–**	(11,112)
Contribution from non-controlling shareholders of subsidiaries	**27,950**	6,246
Proceeds from issuance of restricted shares units	**41,080**	–
Payment for listing expenses	**(23,145)**	–
Dividends paid to equity shareholders of the Company	**–**	(52,020)
Dividends paid to non-controlling shareholders of subsidiaries	**–**	(21,600)
Net changes in restricted bank deposits	**2,992**	5,493
Net cash (used in)/generated from financing activities	**(993,114)**	288,729
Net decrease in cash and cash equivalents	**(326,691)**	(7,800)
Cash and cash equivalents at the beginning of the year	**1,181,104**	1,196,253
Effect of foreign exchange rate changes	**21,977**	(7,349)
Cash and cash equivalents at the end of the year	**876,390**	1,181,104

NOTES TO THE FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

The Company was established in Nanjing, Jiangsu Province, the People's Republic of China (the "**PRC**") on February 26, 2002 as a limited liability company. The Company was converted from a limited liability company Nanjing Estun Digital Technology Co., Ltd. (南京埃斯頓數字技術有限公司) into a joint stock limited liability company ESTUN AUTOMATION CO., LTD (南京埃斯頓自動化股份有限公司) under the PRC Company Law on July 5, 2011. The Company's A shares have been listed on the Shenzhen Stock Exchange under the stock code 002747 since March 20, 2015, and the Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code 2715 since March 9, 2026.

The principal activities of the Group are the manufacturing and sale of industrial robots, intelligent manufacturing systems, core automation components and motion control systems.

These financial information have been prepared in accordance with all applicable IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. These financial information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2 CHANGES IN ACCOUNTING POLICIES

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

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

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are mainly engaged in the manufacturing and sale of industrial robots, intelligent manufacturing systems, core automation components and motion control systems.

(i) Disaggregation of revenue

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

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Industrial robots and intelligent manufacturing systems	**3,995,630**	3,029,103
– Core automation components and motion control systems	**888,506**	976,276
Revenue from other sources		
– Rental income from operating leases	**3,875**	3,393
	4,888,011	4,008,772

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2025	2024
	RMB'000	***RMB'000***
Over time	**575,159**	690,255
Point in time	**4,308,977**	3,315,124
	4,884,136	4,005,379

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 3(b).

The Group's customer base is diversified and includes two customers with whom transactions have exceeded 10% of the Group's revenues (2024: nil). In 2025 revenue from sales of products to each of these two customers, including sales to entities which are known to the Group to be under common control with these customers, amounted to approximately RMB743,190,000 and RMB626,078,000, respectively.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for goods such that information about revenue expected to be recognised in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods that had an expected duration of one year or less.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

(i) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment property, right-of-use assets, intangible assets, goodwill and interests in associates ("**specified non-current assets**"). The revenue is generated from Chinese Mainland and overseas markets, such as Europe, North America, and Asia, and the geographic location of revenue is based on the geographic location of customers. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, investment property and right-of-use assets, the location of the operations to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates.

	2025	2024
	RMB'000	*RMB'000*
Revenue by geographical region		
Chinese Mainland	**3,425,340**	2,639,208
Overseas	**1,462,671**	1,369,564
	4,888,011	4,008,772

	2025	2024
	RMB'000	*RMB'000*
Specified non-current assets		
Chinese Mainland	**1,758,090**	1,948,199
Overseas	**1,715,336**	1,543,723
	3,473,426	3,491,922

4 OTHER NET INCOME

	2025	2024
	RMB'000	*RMB'000*
Interest income from bank deposits	**13,124**	15,493
Government grants	**23,452**	38,850
Value-added tax super deduction and refund	**46,464**	47,628
Realised and unrealised gains on wealth management products	**11,354**	15,602
Realised and unrealised gains/(losses) on other financial assets measured at FVPL	**23,679**	(22,787)
Net losses on disposal of property, plant and equipment and intangible assets	**(12,900)**	(501)
Net gains on disposal of interests in associates	**11,993**	15,948
Net losses on disposal of subsidiaries	**(1,533)**	–
Net foreign exchange gains	**1,154**	7,971
Others	**8,784**	4,831
	125,571	123,035

5 PROFIT/(LOSS) BEFORE TAXATION

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

(a) Finance costs

	2025	2024
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**151,654**	125,983
Interest on discounted bills	**2,660**	19,281
Interest on lease liabilities	**4,526**	1,866
Interest on defined benefit plans	**6,837**	7,063
	165,677	154,193

(b) Staff costs

	2025	2024
	RMB'000	*RMB'000*
Contributions to defined contribution retirement plans *(Note)*	**88,263**	92,090
Expenses recognised in respect of defined benefit plans	**9,002**	9,440
Equity-settled share-based payment expenses	**23,673**	10,451
Salaries, wages and other benefits	**1,097,033**	1,169,929
	1,217,971	1,281,910

Note: Employees of the Group are required to participate in a defined contribution retirement plan administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(c) Other items

	2025 *RMB'000*	2024 *RMB'000*
Amortisation cost		
– intangible assets	**61,315**	63,961
– long-term deferred expenses	**5,764**	17,727
	67,079	81,688
Depreciation charge		
– property, plant and equipment	**102,568**	93,469
– right-of-use assets	**25,924**	23,897
– investment property	**803**	–
	129,295	117,366
Impairment loss on financial assets		
– trade receivables and contract assets	**2,295**	62,689
– bills receivable and other receivables	**(1,277)**	1,848
	1,018	64,537
Impairment loss on non-financial assets		
– intangible assets	**106**	15,603
– goodwill	**–**	344,864
	106	360,467
Auditor's remuneration *(i)*		
– audit services	**3,583**	N/A
– other services	**1,242**	891
	4,825	891
Research and development expenses *(ii)*	**418,658**	442,233
Cost of inventories *(iii)*	**3,472,806**	2,874,742

Notes:

(i) Auditor's remuneration includes the fees in relation to audit services and other services provided by the statutory auditor of the Company's H shares.

(ii) Research and development expenses include staff costs, depreciation and amortisation expenses, which amounts are also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

(iii) Cost of inventories includes staff costs, depreciation and amortisation expenses, which amounts are also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2025	2024
	RMB'000	*RMB'000*
Current tax:		
Provision for the year	**16,584**	35,686
Deferred tax:		
Origination and reversal of temporary differences	**15,535**	6,475
	32,119	42,161

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) before taxation	**73,804**	(775,524)
National tax on profit/(loss) before taxation, calculated at the rates applicable to profits/(losses) in the countries or jurisdictions concerned *(Note)*	**17,032**	(63,988)
Effect of adjustment to income tax of prior periods	**(930)**	11,268
Tax effect of non-taxable income or loss	**648**	2,731
Tax effect of non-deductible expenses	**11,167**	3,309
Tax effect of tax losses and temporary differences not recognised and effect of using deductible losses for which deferred tax assets were previously not recognised	**44,772**	135,301
Tax effect of super deduction for research and development expenses	**(40,849)**	(46,058)
Others	**279**	(402)
Actual tax expense	**32,119**	42,161

Notes:

(i) According to the Corporate Income Tax Law of China, the Group's subsidiaries in Chinese Mainland are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to High and New Technology Enterprise of 15%.

(ii) Pursuant to the rules and regulations of Germany, Cloos Holding GmbH and Carl Cloos Schweißtechnik GmbH ("**Carl Cloos**") are subject to the German Income Tax at a rate of 28.25% at an average (15.00% for corporate income tax, 0.825% for solidarity surcharge and 12.425% for trade income tax), while M.A.i GmbH & Co. KG ("**M.A.i**") is subject to the German Income Tax at a rate of 27.90% at an average (15.00% for corporate income tax, 0.825% for solidarity surcharge and 12.075% for trade income tax).

(iii) Taxation of other subsidiaries are charged at the prevailing rates of respectively in the relevant countries or jurisdictions and are calculated on a stand-alone basis.

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to the ordinary equity shareholders of the Company of RMB41,341,000 (2024: loss of RMB810,929,000). The weighted average number of ordinary shares of 867,018,000 shares (2024: 867,018,000 shares) in issue during the year, calculated as follow:

	2025	2024
	'000	*'000*
Issued ordinary shares at the beginning of the year	**869,531**	869,531
Effect of shares issued	**1,667**	–
Effect of treasury shares	**(4,180)**	(2,513)
Weighted average number of ordinary shares at the end of the year	**867,018**	867,018

(b) Diluted loss per share

The calculation of diluted earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB41,341,000 (2024: loss of RMB810,929,000). The weighted average number of ordinary shares of 867,525,000 (2024: 867,018,000 shares) in issue during the year, calculated as follows:

	2025	2024
	'000	*'000*
Weighted average number of ordinary shares at the end of the year	**867,018**	867,018
Effect of deemed issue of shares under the Company's share reward schemes	**500**	–
Effect of deemed issue of shares under the Company's share option scheme	**7**	–
Weighted average number of ordinary shares at the end of the year (diluted)	**867,525**	867,018

For the year ended December 31, 2024, the restricted shares and share options were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amount of diluted loss per share is the same as basic loss per share.

8 PROPERTY, PLANT AND EQUIPMENT

	Freehold land *RMB'000*	Plant and buildings *RMB'000*	Machinery and equipment *RMB'000*	Motor vehicles *RMB'000*	Office equipment and others *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:							
At January 1, 2024	37,478	990,170	500,757	20,142	182,572	177,034	1,908,153
Additions	–	58,563	63,224	1,284	22,107	169,691	314,869
Transferred from construction in progress	–	271,249	24,232	–	794	(296,275)	–
Transferred to intangible assets	–	–	–	–	–	(5,317)	(5,317)
Acquisition of a subsidiary	–	–	62	296	60	–	418
Disposals	–	(15,045)	(12,050)	(1,002)	(12,149)	(1,234)	(41,480)
Exchange adjustments	(1,120)	(11,381)	(4,137)	(483)	(5,646)	(1,718)	(24,485)
At December 31, 2024 and January 1, 2025	36,358	1,293,556	572,088	20,237	187,738	42,181	2,152,158
Additions	–	25,713	21,752	1,880	14,251	192,649	256,245
Transferred from construction in progress	–	126,866	18,576	–	3,152	(148,594)	–
Disposals	–	(269)	(24,171)	(2,072)	(6,882)	–	(33,394)
Disposal of subsidiaries	–	(37,964)	(6,392)	(893)	(7,031)	(166)	(52,446)
Transferred to investment property	–	(53,640)	–	–	–	–	(53,640)
Exchange adjustments	2,449	28,145	6,079	585	13,255	(1,036)	49,477
At December 31, 2025	38,807	1,382,407	587,932	19,737	204,483	85,034	2,318,400
Accumulated depreciation:							
At January 1, 2024	–	(204,307)	(234,245)	(16,271)	(131,484)	–	(586,307)
Charge for the year	–	(28,546)	(45,262)	(925)	(18,736)	–	(93,469)
Written back on disposals	–	7,348	7,318	1,005	10,793	–	26,464
Acquisition of a subsidiary	–	–	(58)	(196)	(48)	–	(302)
Exchange adjustments	–	4,768	3,289	415	6,261	–	14,733
At December 31, 2024 and January 1, 2025	–	(220,737)	(268,958)	(15,972)	(133,214)	–	(638,881)
Charge for the year	–	(34,266)	(51,273)	(2,130)	(14,899)	–	(102,568)
Written back on disposals	–	202	12,136	1,653	5,975	–	19,966
Disposal of subsidiaries	–	11,369	4,309	585	4,889	–	21,152
Transferred to investment property	–	312	–	–	–	–	312
Exchange adjustments	–	(6,745)	(3,135)	(612)	(13,023)	–	(23,515)
At December 31, 2025	–	(249,865)	(306,921)	(16,476)	(150,272)	–	(723,534)
Net book value:							
At December 31, 2024	36,358	1,072,819	303,130	4,265	54,524	42,181	1,513,277
At December 31, 2025	38,807	1,132,542	281,011	3,261	54,211	85,034	1,594,866

The Group was in the process of applying for the ownership certificates for certain buildings with an aggregate carrying value of RMB236,391,000 (2024: RMB284,147,000). The directors of the Company are of the opinion that the Group is entitled to legally and validly occupy and use of these buildings.

9 RIGHT-OF-USE ASSETS

	Leasehold land *RMB'000*	Plant and buildings *RMB'000*	Machinery and equipment *RMB'000*	Total *RMB'000*
Cost:				
At January 1, 2024	225,096	67,244	36,373	328,713
Additions	–	39,995	11,476	51,471
Acquisition of a subsidiary	–	953	–	953
Exchange adjustments	–	(3,694)	(1,523)	(5,217)
At December 31, 2024 and January 1, 2025	225,096	104,498	46,326	375,920
Additions	27	10,537	4,679	15,243
Disposals	–	(24,755)	–	(24,755)
Disposal of subsidiaries	(10,775)	–	–	(10,775)
Exchange adjustments	–	9,824	2,670	12,494
At December 31, 2025	214,348	100,104	53,675	368,127
Accumulated depreciation:				
At January 1, 2024	(37,446)	(25,381)	(24,418)	(87,245)
Charge for the year	(4,912)	(11,485)	(7,500)	(23,897)
Exchange adjustments	–	1,548	1,430	2,978
At December 31, 2024 and January 1, 2025	(42,358)	(35,318)	(30,488)	(108,164)
Charge for the year	(4,767)	(12,836)	(8,321)	(25,924)
Written back on disposals	–	23,733	–	23,733
Disposal of subsidiaries	3,006	–	–	3,006
Exchange adjustments	–	(1,822)	(2,658)	(4,480)
At December 31, 2025	(44,119)	(26,243)	(41,467)	(111,829)
Net book value:				
At December 31, 2024	182,738	69,180	15,838	267,756
At December 31, 2025	170,229	73,861	12,208	256,298

10 INTANGIBLE ASSETS

	Software	Non-patented technologies	Concessions	Patented technologies	Trademarks	Development costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At January 1, 2024	112,796	482,041	4,604	29,960	63,728	58,974	752,103
Additions	24,261	–	115	–	–	60,684	85,060
Addition through internal development	–	70,934	–	–	–	(70,934)	–
Transferred from construction in progress	5,317	–	–	–	–	–	5,317
Disposals	(1,217)	–	–	–	–	–	(1,217)
Exchange adjustments	(2,614)	(3,217)	(198)	–	–	–	(6,029)
At December 31, 2024 and January 1, 2025	138,543	549,758	4,521	29,960	63,728	48,724	835,234
Additions	11,912	–	365	–	–	45,689	57,966
Addition through internal development	–	53,083	–	–	–	(53,083)	–
Disposals	(25,766)	(9,830)	–	–	–	–	(35,596)
Disposal of subsidiaries	(1,500)	(1,825)	–	(29,630)	–	–	(32,955)
Transfer	(18,631)	(32,337)	–	–	–	8,947	(42,021)
Exchange adjustments	5,249	546	443	–	–	2,291	8,529
At December 31, 2025	109,807	559,395	5,329	330	63,728	52,568	791,157
Accumulated amortisation and impairment:							
At January 1, 2024	(72,311)	(108,481)	(4,414)	(13,539)	–	–	(198,745)
Charge for the year	(11,566)	(49,135)	(203)	(3,057)	–	–	(63,961)
Impairment loss	–	(15,603)	–	–	–	–	(15,603)
Written back on disposals	1,217	–	–	–	–	–	1,217
Exchange adjustments	1,420	748	192	–	–	–	2,360
At December 31, 2024 and January 1, 2025	(81,240)	(172,471)	(4,425)	(16,596)	–	–	(274,732)
Charge for the year	(6,862)	(51,734)	(184)	(2,535)	–	–	(61,315)
Impairment loss	(106)	–	–	–	–	–	(106)
Written back on disposals	22,773	3,242	–	–	–	–	26,015
Disposal of subsidiaries	607	1,034	–	19,041	–	–	20,682
Exchange adjustments	(2,213)	(667)	(426)	–	–	–	(3,306)
At December 31, 2025	(67,041)	(220,596)	(5,035)	(90)	–	–	(292,762)
Net book value:							
At December 31, 2024	57,303	377,287	96	13,364	63,728	48,724	560,502
At December 31, 2025	42,766	338,799	294	240	63,728	52,568	498,395

11 GOODWILL

	2025	2024
	RMB'000	*RMB'000*
Cost	**1,337,691**	1,448,943
Accumulated impairment loss	**(307,536)**	(344,864)
	1,030,155	1,104,079

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGUs identified by unit as follows:

	2025	2024
	RMB'000	*RMB'000*
Carl Cloos	**839,845**	767,461
Yangzhou Shuguang	**–**	157,625
Trio Motion	**74,330**	66,381
M.A.i	**67,277**	63,909
Estun Intelligent	**41,324**	41,324
Unit without significant goodwill	**7,379**	7,379
	1,030,155	1,104,079

Impairment tests

The recoverable amounts of the respective CGUs are determined based on value-in-use ("**VIU**") calculation. The Group engaged independent professional valuers to assist with the calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth rate of 0%. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry, the CGUs themselves and macro-environment. The key assumptions used in estimating the recoverable amount are as follows:

	2025	2024
Annual revenue growth rate during the forecast period		
Carl Cloos	**3.00%-14.92%**	4.95%-27.14%
Trio Motion	**3.46%-11.27%**	3.00%-9.79%
M.A.i	**1.63%-2.00%**	3.00%
Estun Intelligent	**2.00%**	2.00%
Pre-tax discount rate		
Carl Cloos	**11.41%**	11.25%
Trio Motion	**14.90%**	16.94%
M.A.i	**13.93%**	12.82%
Estun Intelligent	**15.23%**	13.08%

At December 31, 2025, the recoverable amount of Carl Cloos was estimated to exceed its carrying amount by approximately RMB227,393,000.

At December 31, 2025, the recoverable amount of Trio Motion was estimated to exceed its carrying amount by approximately RMB6,830,000.

At December 31, 2025, the recoverable amount of M.A.i was estimated to exceed its carrying amount by approximately RMB36,660,000.

At December 31, 2025, the recoverable amount of Estun Intelligent was estimated to exceed its carrying amount by approximately RMB4,840,000.

Management has identified that a reasonably possible change in key assumptions could not cause the carrying amount to exceed the recoverable amount for CGUs with significant goodwill. The following table shows the amount that these three assumptions would need to be individually for the estimated recoverable amount to be equal to the carrying amount:

Change required for carrying amount to equal recoverable amount (in percentage point).

	2025	2024
Decrease percentage in annual revenue growth rate during forecast period		
Carl Cloos	**4.37%**	Nil
Trio Motion	**3.00%**	Nil
M.A.i	**13.00%**	1.00%
Estun Intelligent	**5.20%**	8.00%
Increase in pre-tax discount rate		
Carl Cloos	**1.14%**	Nil
Trio Motion	**0.64%**	Nil
M.A.i	**2.87%**	0.19%
Estun Intelligent	**0.90%**	1.46%

The recoverable amount of Carl Cloos, Trio Motion, M.A.i and Estun Intelligent based on the value-in-use calculations was higher than the carrying amount as at December 31, 2025. Accordingly, no impairment loss for goodwill was recognised in the consolidated statement of profit or loss. Also, based on the sensitivity analysis above, the Group concluded that a reasonably possible change in key parameters would not cause the carrying amount of Carl Cloos, Trio Motion, M.A.i and Estun Intelligent to exceed its recoverable amount as at December 31, 2025.

12 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 *RMB'000*	2024 *RMB'000*
Investment in unlisted equity securities	**172,571**	180,208

13 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 *RMB'000*	2024 *RMB'000*
Non-current assets		
Investments not held for trading:		
– Unlisted equity securities	**179,586**	146,762
– Unlisted units in investment funds	**62,398**	66,970
	241,984	213,732
Current assets		
– Wealth management products	**82,129**	388,913

14 INVENTORIES

	2025	2024
	RMB'000	*RMB'000*
Raw materials	**418,130**	416,411
Work in progress	**389,416**	474,491
Finished goods	**398,495**	575,067
Goods in transit	**5,370**	2,929
Goods delivered to customers	**52,558**	133,434
	1,263,969	1,602,332
Contract costs	**339,744**	231,259
Write-down of inventories	**(126,081)**	(112,546)
	1,477,632	1,721,045

15 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2025	2024
	RMB'000	*RMB'000*
Gross carrying amount		
Outstanding warranties	**119,058**	98,834
Completed and unbilled contract	**93,258**	73,821
Less: loss allowance	**(5,437)**	(4,009)
	206,879	168,646

(b) Contract liabilities

	2025	2024
	RMB'000	*RMB'000*
Prepayments received from customers	**586,305**	505,014

Movements in contract liabilities

	2025	2024
	RMB'000	*RMB'000*
Balance at the beginning of the year	**505,014**	297,507
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(497,598)**	(272,933)
Increase in contract liabilities as a result of receiving advance payments during the year	**578,889**	480,440
Balance at the end of the year	**586,305**	505,014

16 TRADE AND OTHER RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Current assets		
Trade receivables		
– Third parties	**1,953,551**	1,825,407
– Related parties	**83,149**	96,078
Bills receivable	**26,631**	146,969
Less: loss allowance	**(131,188)**	(144,928)
Net trade and bill receivables measured at amortised cost	**1,932,143**	1,923,526
Bills receivable, measured at FVOCI	**453,991**	483,536
Amounts due from related parties	**1,825**	825
Value-added tax recoverable	**47,138**	65,256
Prepayments	**45,774**	44,387
Listing expenses to be capitalised	**23,145**	–
Receivables arising from disposal of interests in subsidiaries and associates	**74,278**	–
Other receivables	**45,070**	39,945
	2,623,364	2,557,475
Non-current assets		
Receivables arising from disposal of interests in subsidiaries and associates	**24,480**	–
Long-term deferred expenses	**3,885**	9,048
Prepayments for purchase of property, plant and equipment and intangible assets	**9,447**	9,604
	37,812	18,652

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

Ageing analysis:

As at the end of the reporting period, the ageing analysis of the Group's trade receivables and bills receivable, based on the revenue recognition date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**2,194,725**	2,039,229
1 to 2 years	**173,214**	420,725
2 to 3 years	**113,818**	58,158
Over 3 years	**35,565**	33,878
Less: loss allowance	**(131,188)**	(144,928)
	2,386,134	2,407,062

17 CASH AND CASH EQUIVALENTS

	2025	2024
	RMB'000	*RMB'000*
Cash at bank	**895,601**	1,196,936
Less: restricted bank deposits *(Note)*	**(19,211)**	(15,832)
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	**876,390**	1,181,104

Note: Restricted bank deposits of RMB19,211,000 (2024: RMB15,832,000) were mainly pledged for bills payable and issuance of letters of credits and guarantee.

18 TRADE AND OTHER PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**1,730,341**	1,439,547
Bills payable	**404,797**	648,994
Accrued payrolls	**86,554**	79,987
Payables for property, plant and equipment	**96,511**	119,108
Other tax payables	**50,145**	36,439
Other payables and accruals	**176,593**	231,482
	2,544,941	2,555,557

All trade and other payables are expected to be settled within one year or are repayable on demand.

As at the end of the reporting period, the ageing analysis of the Group's trade payables and bills payable based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**2,061,550**	2,016,275
1 to 2 years	**64,044**	58,975
2 to 3 years	**7,320**	4,385
Over 3 years	**2,224**	8,906
	2,135,138	2,088,541

19 BANK LOANS AND OTHER BORROWINGS

(a) The analysis of the carrying amount of bank loans and other borrowings is as follows:

	2025	2024
	RMB'000	*RMB'000*
Current liabilities:		
– Short-term bank loans	**946,073**	1,838,959
– Current portion of long-term bank loans	**1,098,367**	1,090,411
	2,044,440	2,929,370
Non-current liabilities		
– Non-current portion of long-term bank loans	**1,215,952**	1,353,442
– Redemption liabilities *(Note)*	**464,059**	439,159
	1,680,011	1,792,601

Note: On December 28, 2023 and April 19, 2024, the Company's subsidiary Estun Intelligent Technology (Jiangsu) Co., Ltd. (Estun Intelligent (Jiangsu)) entered into share purchase agreements with external investors and the Company, pursuant to which Estun Intelligent (Jiangsu) issued shares with redemption rights, liquidity preference and anti-dilution rights to the external investors for a total cash consideration of RMB380,000,000 and RMB35,000,000 respectively. The issued shares shall be redeemable by the Company if the trigger event stipulated in the agreements does not occur before September 30, 2027, at a price equal to the higher amount of 1) the original consideration plus a simple interest of 6% per annum or 2) the fair value of relevant equity interests in Estun Intelligent (Jiangsu).

In accordance with the Group's accounting policy, the issued shares are initially recognised at fair value and subsequently measured at amortised cost, bearing an interest of 6% per annum.

(b) The analysis of the repayment schedule of the Group's bank loans and other borrowings is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year or on demand	**2,044,440**	2,929,370
After 1 year but within 2 years	**1,350,165**	1,053,234
After 2 years but within 5 years	**329,846**	739,367
	1,680,011	1,792,601
	3,724,451	4,721,971

20 DEFINED BENEFIT PLANS

	2025	2024
	RMB'000	*RMB'000*
Defined benefit plans	**219,605**	201,582

The Group contributes to defined benefit retirement plans for its employees in certain overseas subsidiaries. Certain retired employees were entitled to receive an annual pension payment upon retirement.

21 DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year:

No dividends were proposed after the end of the reporting period (2024:nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2025	2024
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0 (2024: RMB0.06) per ordinary share	**–**	52,020

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis were based on the financial information prepared in accordance with IFRS Accounting Standards.

Revenue

The Group's revenue increased by 21.93% from RMB4,008.77 million for the year ended December 31, 2024 to RMB4,888.01 million for the year ended December 31, 2025, primarily due to the continuously rising demand for industrial robots and intelligent manufacturing systems, as the Group achieved rapid growth in downstream industries such as new energy vehicles, lithium batteries and electronic products. In response, the Company adjusted its resource allocation in line with market trends and responded promptly to customer demand in the relevant industries, thereby achieving rapid revenue growth.

Cost of Sales

The Group's cost of sales increased by 20.80% from RMB2,874.74 million for the year ended December 31, 2024 to RMB3,472.81 million for the year ended December 31, 2025, primarily due to the increase in sales revenue from industrial robots and intelligent manufacturing systems, which led to increases in the Group's raw material costs, component costs and other costs, and in turn resulted in a corresponding increase in cost of sales.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 24.79% from RMB1,134.03 million for the year ended December 31, 2024 to RMB1,415.21 million for the year ended December 31, 2025. The Group's gross profit margin increased from 28.29% for the year ended December 31, 2024 to 28.95% for the year ended December 31, 2025. The increase in gross profit was primarily attributable to the increase in sales revenue and gross profit margin of industrial robots and intelligent manufacturing systems. Due to adjustments in product mix, the sales volume and revenue contribution of heavy-duty robots increased,resulting in a year-on-year increase in the gross profit margin of the Group's industrial robots. In addition, due to the increase in the cost of imported components as a result of fluctuations in the Euro exchange rate, as well as intensified market competition in the industry, both the gross profit and gross profit margin of the Group's automation core components and motion control systems decreased.

Administrative Expenses

The Group's administrative expenses decreased by 22.30% from RMB550.15 million for the year ended December 31, 2024 to RMB427.48 million for the year ended December 31, 2025, primarily due to the Group's (i) optimization of the team structure of its administrative departments, which enhanced management efficiency; (ii) improvement in administrative efficiency, which resulted in lower procurement expenses, recruitment expenses and short-term lease expenses; and (iii) disposal of obsolete electronic devices and aged equipment, which reduced depreciation and amortization.

Impairment Loss on Intangible Assets and Goodwill

The Group recorded impairment loss on intangible assets and goodwill amounting to RMB0.11 million for the year ended December 31, 2025, as compared to the impairment loss on intangible assets and goodwill amounting to RMB360.47 million for the year ended December 31, 2024. The decrease by 99.97% was primarily due to the absence of any goodwill impairment of a significant amount in 2025.

Impairment Loss on Trade Receivables and Contract Assets

The Group recorded impairment loss on trade receivables and contract assets amounting to RMB2.30 million for the year ended December 31, 2025, as compared to the impairment loss on trade receivables and contract assets amounting to RMB62.69 million for the year ended December 31, 2024. The decrease by 96.34% was primarily due to the Company's strengthened collection of trade receivables in 2025, in particular the notable improvement in the recovery of long-aged receivables related to the photovoltaic business.

Finance Costs

The Group recorded finance costs of RMB165.68 million for the year ended December 31, 2025, as compared to RMB154.19 million for the year ended December 31, 2024. Such fluctuation was primarily due to an increase in interest expenses as a result of additional borrowings, which was offset by a decrease in interest on discounted bills due to the Group's reduced reliance on discounting of bills.

Profit for the Year

As a result of the foregoing, the Group's results improved from a loss of RMB817.69 million for the year ended December 31, 2024 to a profit of RMB41.69 million for the year ended December 31, 2025.

Operating Activities

During the Reporting Period, the Group's net cash generated from operating activities amounted to RMB505.22 million, while the Group recorded net cash used in operating activities of RMB104.04 million last year. The turnaround was primarily because the Group adopted the following measures: (i) strengthening the collection of accounts receivable and gradually shortening the payment cycle of certain customers so as to reduce the turnover days of trade receivables and bills; and (ii) reinforcing the made-to-order production model, improving finished goods inventory management, optimizing supply chain management and reducing capital occupation, thereby reducing inventory turnover days.

Investing Activities

During the Reporting Period, the Group's net cash generated from investing activities amounted to RMB161.20 million, primarily including (i) proceeds from redemption of wealth management products of RMB2,106.90 million; and (ii) proceeds received from disposal of interests in associates of RMB208.95 million, partially offset by RMB1,858.98 million paid for the purchase of wealth management products. The Group recorded net cash used in investing activities of RMB192.49 million last year.

Financing Activities

During the Reporting Period, the Group's net cash used in financing activities amounted to RMB993.11 million, primarily attributable to repayment of bank loans of RMB3,744.91 million, partially offset by proceeds from bank loans of RMB2,853.86 million. The net cash outflow increased as compared with the corresponding period of last year, primarily due to the increase in cash available for repayment of bank debts as a result of the increases in the Group's net cash generated from operating activities and investing activities, as well as the increase in the Group's loan repayments.

Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2025 consisted of bank deposits and cash, mainly denominated in Renminbi, U.S. dollars and Euros.

Debt-to-Capital Ratio

During the year, the debt position was monitored using the debt-to-capital ratio, which is calculated as net debt divided by total equity. Net debt includes all bank loans and other borrowings less cash and cash equivalents. The Group's debt-to-capital ratio as of December 31, 2025 was 141.07% (December 31, 2024: 187.08%).

Net Current Assets

As of December 31, 2025, the Group's net current assets were approximately RMB118.27 million, representing an increase of approximately RMB66.85 million from approximately RMB51.42 million as of December 31, 2024. The increase in net current assets was primarily due to the increase in net cash generated from operating activities, and the Group's reduction in bank loans and bank acceptance bills issued, which led to a substantial decrease in outstanding balances of bank borrowings and bills payable.

Bank Loans

As of December 31, 2025, the Group's bank loans were approximately RMB3,260.39 million, representing a decrease of approximately 23.87% from approximately RMB4,282.81 million as of December 31, 2024.

Capital Commitments and Contingent Liabilities

As of December 31, 2025, the Group had outstanding capital commitments for fixed assets of approximately RMB145.22 million (as of December 31, 2024: approximately RMB208.80 million). As of December 31, 2025, the Group did not have any contingent liabilities.

Significant Investments

As of December 31, 2025, the Group had not held any significant investment, including any investment in an investee company where the value of such investment was equal to or greater than 5% of the Group's total assets as of December 31, 2025.

Material Acquisitions and Disposals

In June 2025, Nanjing Dingkong Electromechanical Technology Co., Ltd. ("**Nanjing Dingkong**"), one of the Group's subsidiaries, partially disposed of its equity interests held in Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司) ("**Yangzhou Shuguang**"). As a result, Yangzhou Shuguang ceased to be consolidated into the Group's consolidated financial statements. On October 20, 2025, Nanjing Dingkong and Shuguang Lanfengqi (Nanjing) Technology Limited Partnership (曙光藍風啟(南京)科技合夥企業(有限合夥)) ("**Shuguang Lanfengqi**") entered into a framework agreement to dispose of their respective equity interests in Yangzhou Shuguang. Upon the completion of the above equity transfers, Nanjing Dingkong ceased to hold any equity interest of Yangzhou Shuguang. For details, please refer to the section headed "History, Development and Corporate Structure — Major Share Capital Changes and Development of Our Company – Disposal of Yangzhou Shuguang Optoelectronics Automation Co., Ltd. (揚州曙光光電自控有限責任公司)" of the Prospectus.

Save as disclosed above, during the year ended December 31, 2025, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Pledge of Assets

As of December 31, 2025, certain of the Group's assets with a net book value of approximately RMB445.38 million (2024: RMB235.09 million) were pledged to secure the Group's bank loans.

Future Plans for Significant Investments or Capital Assets

As of December 31, 2025, the Group did not have any detailed future plans for material investments or capital assets.

Gearing Ratio

As of December 31, 2025, the Group's gearing ratio, being total debt divided by total assets as of the end of the period and multiplied by 100%, was 78.56%, as compared to 81.34% as of December 31, 2024.

Funding and Treasury Policies

The Group's finance department is responsible for the funding and treasury policies with regard to the overall business operation of the Group. The Company expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to internal financing and external financing at reasonable market rates. The Group continues to seek improvements in the return on equity and assets while maintaining prudent funding and treasury policies.

Effects of Exchange Rate Fluctuations

During the Reporting Period, the vast majority of our revenue and expenses were denominated in Renminbi, while the net proceeds from the Global Offering were denominated in Hong Kong dollars. In respect of the net proceeds from the Global Offering, fluctuations in the exchange rate between Renminbi and Hong Kong dollars will affect the relative purchasing power of Renminbi. We manage our foreign exchange risk by regularly reviewing the Group's net foreign exchange exposure and minimizing such exposure, to the extent possible, through natural hedging arrangements.

Employees and Remuneration Policies

As of December 31, 2025, the Group had approximately 3,261 full-time employees (as of December 31, 2024: approximately 3,572 full-time employees). For the year ended December 31, 2025, total employee remuneration expenses, including equity incentive expenses, amounted to RMB1,217.97 million (for the year ended December 31, 2024: RMB1,281.91 million). Our employee remuneration primarily consists of salaries, bonuses and social insurance contributions. We participate in various employee social insurance plans organized by the competent local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

The Group has designed an annual appraisal system to evaluate employee performance. Such system forms the basis for determining whether employees should receive salary increases, bonuses or promotions. The salaries and bonuses received by its employees are in line with market standards. The Company has complied with relevant national and local labor and social welfare laws and regulations in the PRC. The Group arranges for its employees to attend internal and external training courses, seminars and professional technical courses in order to enhance their professional knowledge and skills, deepen their understanding of market developments, and improve their management and business capabilities.

The Company adopted the 2025 Share Option Scheme and the 2025 Restricted Share Scheme in June 2025 to incentivize its Directors and eligible employees. Details of the relevant schemes are set out in the section headed "Further Information about Our Directors and Substantial Shareholders – 4. Employee Incentive Scheme" in Appendix VI to the Prospectus.

BUSINESS REVIEW AND PROSPECT

I. Review of Operation during the Reporting Period

In 2025, the momentum of the global economic recovery remained weak, while geopolitical rivalries and trade protectionism continued to disrupt the layout of industrial chains. China's domestic economy remained in a period of overlapping transition. Affected by weak domestic demand, overcapacity and export uncertainty, the industrial automation industry as a whole remained in an adjustment cycle characterized by bottoming out and stabilizing, structural divergence and intensified competition, with overall industry growth slowing down. Industry demand showed clear structural differences, with traditional general manufacturing sectors remaining weak, while high-end manufacturing segments maintained relative resilience, and the pace of industry consolidation and concentration accelerated. Supported and guided by favorable policies, the industry landscape underwent accelerated reshaping. Domestic substitution continued to penetrate into the mid-to-high-end segments, while market participants actively explored emerging application markets and deployed embodied intelligence to explore new growth drivers. Enterprises also accelerated their global expansion, responding to operating pressure through technological breakthroughs and operational efficiency enhancement, thereby achieving both quality and structural upgrades and ushering the industry into a new stage of high-quality development.

In 2025, the Group recorded revenue of RMB4,888.01 million, representing a year-on-year increase of 21.93%, of which revenue from the industrial robots and intelligent manufacturing systems business amounted to RMB3,995.63 million, representing a year-on-year increase of 31.91%, while revenue from the automation core components business amounted to RMB888.51 million, representing a year-on-year decrease of 8.99%. Domestic business revenue amounted to RMB3,425.34 million, representing a year-on-year increase of 29.79%, while overseas business revenue amounted to RMB1,462.67 million, representing a year-on-year increase of 6.80%.

During the Reporting Period, driven by the recovery in market demand and the acceleration of domestic substitution, the Company continued its trend of strong growth in the industrial robot market, ranking first in the domestic robot market for eight consecutive years and achieving a historic breakthrough. According to the latest data published by MIR, in 2025, the shipment volume of the Company's industrial robots surpassed that of foreign brands within the domestic market for the first time, making it the first domestic robot brand to rank at the top of the industrial robot market in China. Its market share further increased, with rapid growth achieved in application sectors such as automotive, electronics and lithium batteries. In particular, revenue from Estun-branded robots increased by nearly 50% year-on-year.

During the Reporting Period, revenue from the core automation components business declined to a certain extent as a result of industry fluctuations, market competition and the disposal of interests in subsidiaries. The Company will actively respond to market changes and promote the steady development of its core components business by focusing on its major customer strategy, collaborating with channel partners, continuously optimizing its customer mix, exploring new market opportunities, strengthening its solution capabilities, accelerating its overseas business expansion, and continuously optimizing costs to enhance product competitiveness.

During the Reporting Period, the Company actively expanded its global business footprint by establishing an international management team and strengthening its market development efforts in Europe, the Americas and Southeast Asia, while continuing to build core benchmark application scenarios and a core ecosystem partner network. At the same time, centered on the establishment of a global production and supply system, the Company advanced the completion of the construction of its factory in Poland and accelerated the overseas expansion of its high-value products.

In 2025, the Company turned losses into profits. The Group's profit attributable to equity shareholders of the Company amounted to RMB41.34 million, and the Group's EBITDA and adjusted EBITDA amounted to RMB422.73 million and RMB447.65 million, respectively.

The Company focused on high-end application products and high-quality orders, continuously enhancing product competitiveness, and gradually improved its gross profit margin through cost-reduction and efficiency-enhancing measures such as supply chain optimization, increasing the use of domestic substitutes for raw materials, and adopting lean manufacturing practices. Meanwhile, the Company actively expanded into overseas markets, accelerated the overseas expansion of its products, developed more high-barrier and high-value-added products, and established a global capacity deployment and supply chain system through the "Local for Global" model, thereby fully leveraging the efficiency advantages of China's local supply chain and continuously optimizing its cost structure. Through its dual-wheel-drive strategy of "products + services," the Company will provide a full life-cycle after-sales service system. As robot ownership increases and the replacement cycle arrives, the aftermarket service market is expected to become a new source of profit growth.

During the Reporting Period, through comprehensive budget management and dynamic budget authorization, the Company continuously advanced cost reduction and efficiency enhancement and strengthened its execution and assessment mechanisms, resulting in a decline in the Company's expense ratio for the period as compared with the corresponding period of last year. The Company will continue to strengthen refined management by further enhancing sales management to improve per capita efficiency, continuously improving operating cash flow and repaying loans to reduce the scale of interest-bearing liabilities, and optimizing research and development processes to continuously improve research and development output efficiency. As the Company's scale effect and operating quality continue to improve, its profitability indicators are expected to improve accordingly, while EBITDA is expected to maintain long-term stable growth.

In 2025, the Company's net cash generated from operating activities amounted to RMB505.22 million. During the Reporting Period, the Company achieved relatively strong revenue growth as compared with the corresponding period of last year. By establishing a rigorous customer credit rating system, strengthening contract management, optimizing collection procedures, and establishing collection incentive mechanisms, the Company enhanced its trade receivables recovery efforts. In addition, through continuous supply chain optimization, stronger demand forecasting and supply chain coordination, and by combining the made-to-order production model with safety inventory requirements, the Company further improved inventory management and inventory turnover. As a result, the Company's operating cash flow and cash turnover days improved significantly. Going forward, the Company will continue to strengthen the management of inventories and receivables, continuously improve operational efficiency, accelerate capital turnover and enhance its operating cash flow management.

II. Outlook for Future Development of the Group

In 2026, uncertainties persist in the global geopolitical landscape, while the monetary policies of major economies are trending toward easing. The restructuring of international industrial and supply chains is deepening and China's domestic macroeconomy is expected to stabilize and recover further. As the first year of the 15th Five-Year Plan, with the new industrialization strategy being implemented in depth and policies relating to equipment upgrades, technological transformation and digital transformation in the manufacturing industry continuing to take effect, the industrial automation industry is expected to benefit from a favorable policy environment and market support, ushering in a new stage of accelerated recovery and upgrades in both quality and efficiency. The recovery in downstream manufacturing investment is expected to drive improvement in overall demand, while the industry is expected to exhibit accelerating localization and rising concentration. Frontier technologies such as high-end manufacturing and embodied intelligence are expected to accelerate their commercial implementation. Industry competition is expected to shift from price competition to competition in technological innovation and global service capabilities. Domestic manufacturers are expected to achieve breakthrough substitution in core components and high-end application scenarios, while global production capacity and supply chain systems are expected to become increasingly mature, formally ushering the industry into a new cycle of intelligent upgrading, global competition and value enhancement.

In 2026, with the strategic goal of building a "world-renowned brand for Chinese robots", the Company will continue to leverage its leading position and brand influence in the domestic market to accelerate the process of domestic substitution and expand its market share in China. The Company will regard overseas market expansion and market share capture as key strategic priorities for the year and will advance the development of its products into global brands. It will also accelerate the deep integration of robotics and AI, as well as the deployment of embodied intelligence in industrial scenarios, build a full-stack "AI + robotics" technology chain and an open industrial ecosystem, and create the Company's next growth driver. The Company will take the continuous improvement of product quality as its foundation and establish a full life-cycle quality control system to build core competitiveness based on exceptional quality. It will continue to lead breakthroughs into high-end application markets, accelerate the process of comprehensive domestic substitution, and achieve a transition from market follower to standard setter. Supported by lean management to improve quality and efficiency, the Company will strengthen cost control, capital management and organizational efficiency, reinforce its operational resilience, and comprehensively achieve high-quality development.

DIVIDEND

The Board did not recommend the distribution of an annual dividend for the year ended December 31, 2025.

ANNUAL GENERAL MEETING ("AGM")

A circular containing, among other things, the notice of the AGM, which sets out details of the AGM as well as the period and arrangements for the closure of the register of members, will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.estun.com), respectively.

SUBSEQUENT EVENTS

On March 9, 2026 (the "**Listing Date**"), the Company issued 96,780,000 H Shares and was listed on the Main Board of the Stock Exchange at the issue price of HK$15.36 per share.

As disclosed in the Prospectus, in November 2024 and May 2025, we entered into an agreement and a supplemental agreement with Nanjing Chemical Fibre Co., Ltd. (南京化纖股份有限公司) (stock code: 600889.SH) ("**Nanjing Chemical Fibre**"), respectively, pursuant to which we agreed to transfer approximately 3% equity interest in Nanjing Technical Equipment Manufacture Co., Ltd. (南京工藝裝備製造股份有限公司)("**Nanjing Technical Equipment**") held by our Group in exchange for approximately 1.89% equity interest in Nanjing Chemical Fibre (the "**Proposed Transaction**"), which forms part of the asset restructuring of Nanjing Chemical Fibre. The Proposed Transaction was approved by the Shanghai Stock Exchange, and the relevant registration with the China Securities Regulatory Commission was completed on February 13, 2026. As of March 2, 2026, the transfer of the underlying assets under the Proposed Transaction had been completed. For details, please refer to the Company's A-share announcement dated March 3, 2026 published on the website of the Shenzhen Stock Exchange.

Save as disclosed in this announcement, the Group had no other material subsequent events after December 31, 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Board is committed to achieving high standards of corporate governance. The Board believes that high standards of corporate governance are essential to the Company, as they provide a framework for safeguarding shareholders' interests, enhancing corporate value and strengthening accountability.

Compliance with the Corporate Governance Code

The Company has adopted all the code provisions set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code.

As the H Shares of the Company were not listed on the Stock Exchange as of December 31, 2025, the CG Code was not applicable to the Company during the Reporting Period. Since the Listing Date and up to the date of this announcement, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code.

Compliance with the Model Code

The Company has adopted the code provisions set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules in relation to dealings in securities by Directors.

As the H Shares of the Company were not listed on the Stock Exchange as of December 31, 2025, the Model Code was not applicable to the Company during the Reporting Period. Having made specific inquiries of all Directors, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code from the Listing Date and up to the date of this announcement.

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

As of December 31, 2025, the H Shares of the Company were not listed on the Stock Exchange. During the year ended December 31, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including any sale of treasury shares (as defined in the Listing Rules)). As of the date of this announcement, the Company did not hold any treasury shares (as defined in the Listing Rules).

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee consists of three members, all of whom are independent non-executive Directors. Dr. HAN Xiaofang is the chairlady of the Audit Committee, and the other members are Dr. TANG Wencheng and Mr. LIN Jinjun. The Audit Committee complies with the requirements of Rule 3.21 of the Listing Rules and the CG Code.

The Audit Committee has reviewed the audited annual financial statements of the Company for the year ended December 31, 2025 and the accounting policies and practices adopted by the Company, and has discussed internal control and financial reporting matters. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group, and has discussed financial reporting matters, including the review of the consolidated annual financial statements of the Group for the year ended December 31, 2025, as well as risk management and internal control matters, and has raised no disagreement.

SCOPE OF WORK OF THE AUDITOR ON THE ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated cash flow statement and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Group's auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and accordingly no assurance has been expressed by KPMG on this announcement.

By order of the Board
ESTUN AUTOMATION CO., LTD
Mr. WU Bo
Chairman of the Board and executive Director

Hong Kong, March 30, 2026

As of the date of this announcement, the Board comprises: (i) Mr. WU Bo, Mr. WU Kan, Mr. ZHU Chunhua, Mr. ZHOU Ailin and Mr. HE Lingjun as executive Directors; (ii) Ms. CHEN Yinlan as non-executive Director; and (iii) Dr. TANG Wencheng, Dr. HAN Xiaofang and Mr. LIN Jinjun as independent non-executive Directors.