ESTUN
AUTOMATION

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

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

Stock Code : 2715

2026
Interim Report

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Bo *(Chairman of the Board and chief strategic officer)*
Mr. Wu Kan *(Vice chairman of the Board and general manager)*
Mr. Zhu Chunhua
Mr. Zhou Ailin
Mr. Zhu Zhangxing

Non-executive Directors

Ms. Chen Yinlan

Independent Non-Executive Directors

Dr. Han Xiaofang
Mr. Lin Jinjun
Mr. Xu Guojin

AUDIT COMMITTEE

Dr. Han Xiaofang *(Chairlady)*
Mr. Lin Jinjun
Mr. Xu Guojin

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Lin Jinjun *(Chairman)*
Dr. Han Xiaofang
Ms. Chen Yinlan

NOMINATION COMMITTEE

Mr. Xu Guojin *(Chairman)*
Dr. Han Xiaofang
Mr. Wu Kan

STRATEGIC COMMITTEE

Mr. Wu Bo *(Chairman)*
Mr. Wu Kan
Mr. Zhu Chunhua
Mr. Zhou Ailin
Mr. Lin Jinjun

ESG COMMITTEE

Mr. Wu Bo *(Chairman)*
Mr. Zhu Zhangxing
Mr. Xu Guojin

JOINT COMPANY SECRETARIES

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Ms. Poon Pui Man Hera

AUTHORISED REPRESENTATIVES

Mr. Wu Kan
Ms. Poon Pui Man Hera

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STOCK CODES

Hong Kong Stock Exchange (H Shares): 2715
Shenzhen Stock Exchange (A Shares): 002747

COMPANY'S WEBSITE

www.estun.com

Financial Highlights

- For the six months ended June 30, 2026, the Group's revenue amounted to RMB2,577.51 million (six months ended June 30, 2025: revenue of RMB2,548.58 million), representing an increase of approximately 1.14%.

- For the six months ended June 30, 2026, the Group's gross profit was RMB800.75 million (six months ended June 30, 2025: gross profit of RMB711.74 million), representing an increase of approximately 12.51%.

- For the six months ended June 30, 2026, the Group's gross profit margin was 31.07% (gross profit margin for the six months ended June 30, 2025: 27.93%), representing an increase of approximately 3.14 percentage points.

- For the six months ended June 30, 2026, the Group's profit attributable to equity shareholders of the Company amounted to RMB161.33 million (six months ended June 30, 2025: net profit attributable to equity shareholders of the Company of RMB3.05 million), representing an increase of approximately 52 times as compared with the same period in 2025.

- For the six months ended June 30, 2026, the Group recorded net cash inflow from operating activities of RMB40.26 million (six months ended June 30, 2025: net cash outflow from operating activities of RMB119.48 million).

- For the six months ended June 30, 2026, the Group's EBITDA and adjusted EBITDA[Note] amounted to RMB362.34 million and RMB381.18 million, respectively (six months ended June 30, 2025: RMB204.39 million and RMB210.27 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.

Management Discussion and Analysis

I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Principal Business, Principal Products and Their Uses

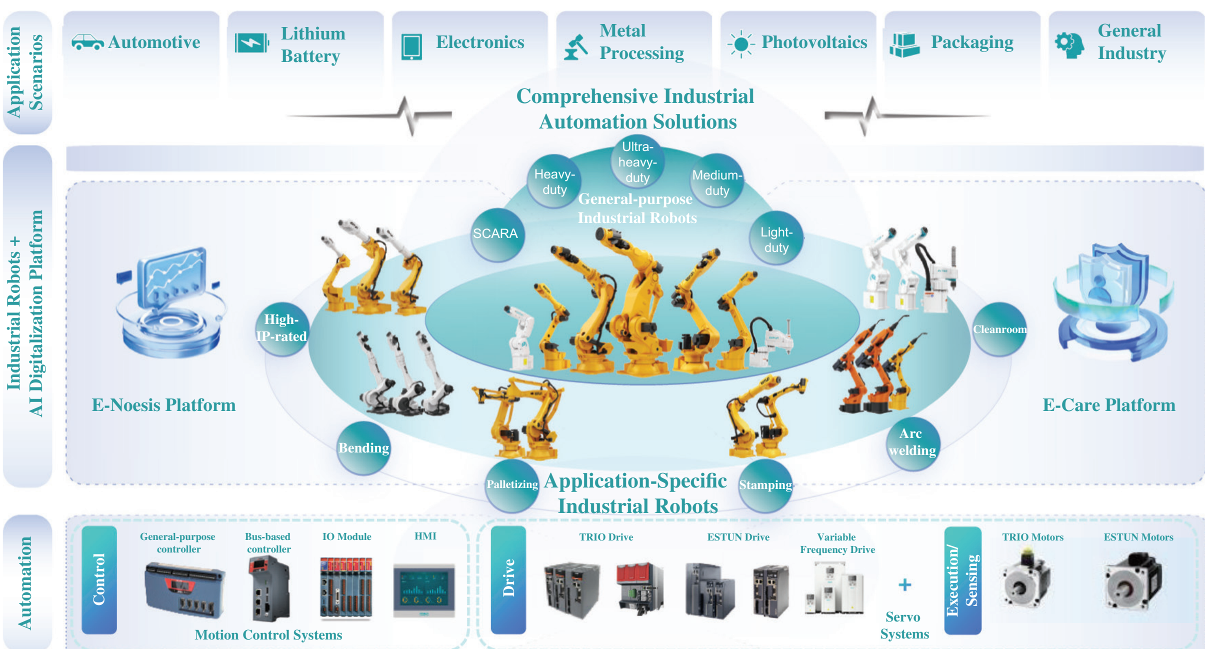
The Company's business covers the entire industry chain, ranging from core automation components and motion control systems, industrial robots, robot workstations and robotics application solutions to intelligent manufacturing systems. The Company has built comprehensive competitive advantages in technology, products, quality, cost and services, and drives the transformation and upgrading of China's manufacturing industry through automation, digitalization and intelligentization.

The Company's business is mainly divided into two core business segments:

(1). core automation components and motion control systems; and

(2). industrial robots and intelligent manufacturing systems.

As a leading Chinese intelligent manufacturing brand with more than 30 years of industry experience, Estun focuses on core automation components and motion control, robotics and intelligent manufacturing systems, and provides complete intelligent solutions for niche industries including new energy, hardware, 3C electronics, automotive, packaging and logistics, building materials and furniture, metal processing, construction machinery and welding, thereby facilitating the automation transformation and development of various industries. During the Reporting Period, the Company continued to firmly adhere to its "All Made By Estun" development strategy covering the entire industry chain, further strengthened its business development model featuring core technologies and independent controllability, while accelerating international development and coordinated development between its domestic and overseas operations. Focusing on its two core business segments, namely core automation components and motion control systems, and industrial robots and intelligent manufacturing systems, the Company continued to enhance its competitiveness, focused on the development of its principal business, significantly enhanced its brand influence and continued to expand its market scale.



1. *Core Automation Components and Motion Control Systems*

The principal businesses and products include complete automation solutions for metal forming machine tools, motion control systems (including HMI, motion controllers, Motion PLC, IO modules, AC servo systems, DC servo drives, linear servo drives and inverters), robot-specific controllers, robot-specific servo systems, and intelligent control unit solutions integrating machine vision and motion control. For process-specific equipment, general-purpose automation equipment and automated production lines, the Company is able to provide complete high-performance motion control solutions. Its product architecture covers every layer of industrial automation, encompassing the information layer, control layer, drive layer and execution layer, thereby establishing a comprehensive technology and product matrix. The products are primarily used in the automation control of intelligent equipment such as metal forming CNC machine tools, robots, photovoltaic equipment, lithium battery equipment, 3C electronics, packaging machinery, printing machinery, textile machinery, woodworking machinery, pharmaceutical machinery and semiconductor manufacturing equipment.

2. *Industrial Robots and Intelligent Manufacturing Systems*

The Company's industrial robot portfolio comprises 96 models with payloads ranging from 3kg to 1,200kg. It covers a full spectrum of general-purpose robots and application-specific robots with advanced process capabilities, meeting comprehensive market demand ranging from lightweight to heavy-duty and from high-speed to high-precision applications, and is widely used in industries such as automotive, photovoltaics, lithium batteries, building materials, electronics, metal processing and food. Based on the core technologies of complete "robot +" solutions and focusing on different scenario-based process applications including bending, arc welding, spot welding, stamping, die casting, polishing, gluing, assembly and flexible sorting, the Company is able to provide more than 20 types of workstations and complete intelligent solutions, among which sheet metal bending, stamping, photovoltaic layout and arc welding are at industry-leading levels.

On the basis of its existing robot automated welding production lines, die-casting automation system solutions and automated production lines for electric drive, electric control and power supply systems, the Company deeply integrates the advantages of a series of products and technologies including Trio motion controllers, AC servo systems, industrial robots and machine vision. It provides the new energy industry with high-speed and high-precision intelligent assembly production lines for power battery modules/PACKs based on the Company's robots and motion control systems, and actively expands intelligent manufacturing solutions for the three-electric systems, thereby establishing industry technology benchmarks and scaled applications for the comprehensive penetration of the Company's core automation components and robot products into the new energy industry.

While developing robotic solutions, the Company has also developed AI digital platforms integrating remote maintenance and intelligent management to promote the digital operation of intelligent factories. The E-Care Platform utilizes IoT and cloud technology to achieve real-time diagnostics, remote troubleshooting and remote updates, significantly enhancing service efficiency. The E-Noesis platform serves as a digital intelligence hub, leveraging big data, digital twins and artificial intelligence to provide digital functions including process quality detection and optimization, fault warning analysis and remote operations and maintenance, making data relating to equipment parameters, process parameters, production capacity and quality transparent and providing users with core competitive advantages in digitalization.

(II) Principal Operating Models

The Company focuses on the R&D, production and sales of high-end intelligent equipment and its core control and functional components. It is currently a highly influential enterprise in China's motion control sector and a leading domestic industrial robot enterprise with highly independent core technologies and core components. Guided by customer value and demand and driven by both domestic and international markets, the Company provides innovative solutions and services to customers worldwide.

1. R&D Model

The Company's product development is based on the IPD model. Based on analysis of the macro environment, the Company's strategic planning, customer needs and technological development trends, the Company advances technology R&D and product development. The Company adopts a tightly coupled product development model, starting with market demand, innovating based on the market and carrying out market-oriented R&D activities to achieve customer demand-driven product development. It implements an end-to-end product line model connecting the entire value chain of marketing, R&D, production, quality and delivery, thereby reinforcing its core customer-centric principle. For key forward-looking technologies and applications, the Company establishes professional teams to conduct comprehensive research and evaluation, incorporates them into development plans and addresses gaps in key technologies.

2. Production and Supply Chain Management Model

The Company continuously strengthens its manufacturing capabilities to ensure independent and controllable domestic production of core components. At the same time, it continues to develop an advanced supply chain management model. Its full-process operating system covering quality, delivery, cost and logistics ensures the competitive advantages of high product quality, low cost and rapid delivery. Through SAP, SRM (Supplier Relationship Management System), MES (Manufacturing Execution System) and other systems, the Company connects order information flows and has established and improved a flat production organization centered on planning, procurement, manufacturing, quality, processes, equipment and logistics. Depending on the characteristics of product delivery, the Company adopts a production model of "make-to-order + make-to-stock" to ensure timely delivery.

3. Sales and Service Model

The Company has established a marketing system combining "strategic customers + industry benchmark customers + regional customers", continuously strengthens the leading role of strategic customers and industry benchmark customers, explores additional application scenarios and increases market share. The downstream application industries of the Company's products are extremely broad, with a large number of users distributed extensively both domestically and overseas. The Company adopts a "direct sales + distribution" sales model. For leading benchmark customers in industries with substantial automation demand and relatively high customization requirements, the Company adopts a direct sales model, while for other industry customers and regional customers, it adopts a distribution model in cooperation with channel partners. Customers include direct users, system integrators and equipment manufacturers. Certain products are distributed through regional authorized distributors. The Company obtains customer orders through market research, information collection, identification of target customers and determination of product solutions, and arranges production and sales accordingly. Key customers for general industrial products generally select suppliers through tendering procedures, during which the business capabilities and historical performance of suppliers are primarily evaluated.

For intelligent manufacturing production lines, the Company's sales department and technical process department are jointly responsible for customer development. Based on customer needs and relying on its own modularized products, the Company provides systematic solutions. Upon customer acceptance of the technical proposal, the sales department completes the commercial quotation based on effective cost control to secure the order. A typical sales and service process includes customer development, pre-sales preparation, customer engagement, formation of sales intent, execution of sales contracts, implementation and delivery, and after-sales services.

II. ANALYSIS OF CORE COMPETITIVENESS

(I) Advantages in Independent Core Automation Components and Complete Motion Control Solutions

The possession of proprietary core technologies and core components gives the Company a unique competitive advantage in providing customers with complete motion control solutions across all scenarios. The Company's CNC systems, electro-hydraulic servo systems and AC servo systems are all core control components of intelligent equipment. Such system solutions, formed through the integrated combination of mechanical, electrical and hydraulic technologies, represent highly technical elements of intelligent equipment. At present, providing customized and personalized motion control solutions to industry customers has become a major development direction for products in the core automation components and motion control systems segment, supporting the manufacturing industry's development toward automation, intelligentization and digitalization.

In the field of motion control, Estun possesses a comprehensive range of motion control products and globally leading motion control technologies. Based on the advantages of the Trio motion control platform in efficient synchronous control and advanced motion control algorithms, it systematically integrates servo systems, inverters, Motion PLC, IO and sensors into one solution, forming highly targeted solutions that are quick to deploy, highly efficient in control, technically specialized and cost-effective. Based on its self-developed robot-specific controller platform, robot-specific servo platform and forward-designed robot body design platform, the Company is able to achieve self-iteration based on market and customer needs in combination with our own capabilities and provide the market with robot application-based products and complete solutions.

(II) Competitive Advantages of the Entire Industry Chain of "Core Components + Fully Assembled Robots + Solutions"

The Company adheres to the "All Made By Estun" strategy and has achieved an independently controlled layout across the entire industry chain, from core components and fully assembled robot bodies to intelligent manufacturing systems. The Company provides customers with full life-cycle industrial automation solutions centered on robots, strengthens its business development model featuring independently controllable core technologies and supply chains, and has built comprehensive competitive advantages in technology, quality, cost, service and branding. While achieving scale effects, the Company has significantly reduced manufacturing and maintenance costs, improved profitability, and enhanced our resilience against risks.

Leveraging our leading advantages in general motion control platforms and robot control platforms, the Company integrates core motion control components with robot products to form platform-based control solutions, namely the "robot-centered equipment automation" model, thereby enabling "high-efficiency, low-cost" equipment automation solutions and truly realizing scenario application advantages that extend from simple general motion control and robot control to industrial control.

The Company's AI digital platforms build full life-cycle industrial robot solutions. The E-Noesis platform uses big data and digital twin technologies to manage the full life cycle of robots and, by integrating digital information such as operational indicators and process parameters, can present the operating status of equipment and production lines in a comprehensive and real-time manner. The E-Care maintenance platform combines IoT connectivity and cloud computing technologies to achieve deep integration of OI and IT, break down data silos and provide end-to-end remote support for equipment. The two platforms work in synergy to transform data into strategic assets, helping improve productivity, cost efficiency and operational excellence.

(III) Building Industry-leading Advantages for Industrial Robots in Segmented Fields

The Company adheres to the "general-purpose + niche segment" market strategy, carries out customized development for specific customers in segmented markets, continuously expands application scenarios, and maintains leading positions in segmented industries such as new energy, metal processing, automotive, electronics and welding. Based on its core automation technologies, the Company drives industrial robots toward full-category, high-precision, heavy-duty and scenario-based development. The Company actively monitors industry trends, uses overseas markets as a strategy for expanding into high-end applications, and gains insight into product and technology needs. The Company also plans ahead in servo and robot functional safety, takes customer demand as the orientation, and was among the first in China to develop products based on functional safety and obtain TÜV Rheinland certification.

The Company focuses on application processes throughout the entire photovoltaic industry chain and, around the intelligent manufacturing needs of silicon wafers, solar cells and photovoltaic modules at various process stages, has developed complete intelligent solutions for the photovoltaic industry and deeply participated in the construction of the world's first photovoltaic lighthouse factory. In the lithium battery industry, the Company has built a globally ultra-high-speed lithium battery production line, pushing the limits of production efficiency. In the automotive industry, the Company provides intelligent manufacturing solutions covering the full process from complete vehicle manufacturing to component processing, and, around the intelligent manufacturing needs of various process stages such as spot welding, arc welding, gluing, riveting and handling, has developed complete intelligent solutions for the automotive industry. Estun's high-precision six-axis robots have been deployed in batches on the production lines of a number of leading automakers, setting multiple industry benchmark projects. In addition, the flexible production line solution jointly developed by the Company and automakers has successfully entered overseas markets, continuously expanding our global footprint. In the metal processing field, the Company can provide complete solutions covering the entire metal processing process, from die casting and decoiling and leveling to stamping, bending, welding and polishing, and has developed robot solutions specifically for intelligent bending, significantly improving bending process efficiency. In the high-end heavy-duty field, Estun successfully launched a 700kg heavy-duty robot, breaking through technical barriers, being included in the Guiding Catalogue for the Promotion and Application of the First Set of Major Technical Equipment of the Ministry of Industry and Information Technology, and filling the domestic gap in heavy-duty robots. During the Reporting Period, the Company independently developed a 1,200kg ultra-heavy-duty robot, significantly enhancing China's influence in core heavy-duty robot technologies. As industrial robots are further applied in more industries, the Company will further unlock the value of data, promote the deep integration of AI and robotics technologies, and continuously expand the boundaries of intelligent manufacturing.

(IV) Technological Leadership and Innovation Advantages Derived from Sustained High R&D Investment

Adhering to the strategic objective of "from following to surpassing," the Company has maintained R&D investment at approximately 10% of sales revenue for many years. Through acquisitions and integration, as well as external recruitment and internal cultivation, we have laid a solid foundation for maintaining our leading advantage in technological innovation. Through continuous technological innovation and deep integration with the industrial ecosystem, the Company is committed to driving enterprises to achieve transformation and upgrading and injecting strong momentum and innovative vitality into global industrial manufacturing.

The Company is committed to building a globally competitive R&D footprint and a multi-tiered R&D system. The Company continues to invest in R&D and vigorously attract outstanding talent from both China and abroad. With Nanjing as its R&D center, the Company integrates global R&D resources from Germany, the United Kingdom, the United States and elsewhere, and has established a high-caliber R&D team composed mainly of international industry experts, Jiangsu provincial innovation and entrepreneurship leaders, and high-level overseas returnee talent. The Company has a sound R&D organizational management system and has formed three major talent tiers: an automation innovation team, a senior engineering technology team and an expert academic team. The Company also conducts R&D cooperation with a number of well-known domestic and international universities. Its strong technical team provides assurance for the Company's ability to conduct independent R&D and continuous technological innovation.

During the Reporting Period, the Company added 39 new software copyrights and obtained authorization for 48 new patents. As of June 30, 2026, the Company held a total of 457 software copyrights and 654 authorized patents, including 271 invention patents. The Company also had 208 patent applications pending authorization. As of the end of the Reporting Period, the Company had 3,152 employees, of whom 915 were engaged in R&D and engineering technology, representing 29.03% of its total workforce. During the Reporting Period, the Company's R&D investment amounted to RMB250.19 million, representing 9.71% of its revenue.

The Company attaches great importance to the commercialization of R&D results and adheres to a customer demand-oriented objective in all respects. The Company adopts a tightly coupled product development model to achieve efficient integration across the entire process from customer demand collection, product planning and design and development to market launch and promotion. The Company possesses CNAS accreditation, qualification as a China Energy Efficiency Filing Laboratory, and cooperative laboratory qualifications recognized by TÜV Germany and UL of the United States, which effectively facilitate the conversion of laboratory innovation and R&D into practical industrial applications.

(V) Accelerating the Building of Sustainable International Competitive Advantages through Global Layout

The Company adheres to an international development strategy and builds its core competitiveness from a global perspective. Through global layouts in products and branding, marketing and services, manufacturing and R&D, the Company continues to enhance our international competitiveness. Through independent development and strategic acquisitions, the Company has gradually built a global product and brand matrix. On the one hand, the Company continues to promote the Estun brand in international markets and enhance overseas customers' recognition of our products and brand. On the other hand, the Company has successively acquired leading enterprises such as Trio, Cloos and M.A.i., rapidly expanding its global product matrix in the field of industrial automation. Based on technical standards and customer needs in different markets, the Company carries out targeted product R&D and manufacturing, has obtained a number of international certifications including CE, UL, cETLus and TÜV CE, and has gradually built a customer base and continuously expanded its global brand influence through overseas sales.

The Company currently has 75 service outlets worldwide, with business coverage across Europe, the Americas, Asia and other developed manufacturing and economic regions. The Company regards the European market as the strategic starting point for its growth into a global leader in industrial robotics, and has established subsidiaries and localized teams in multiple European countries. The Company has built a global production capacity system centered on its domestic footprint and supported by our overseas footprint. Through the "Local for Global" model, the Company fully leverages the efficiency advantages of China's local supply chain to provide global customers with technologically advanced, cost-optimized and widely accessible industrial automation solutions. At the same time, the Company has established and operates manufacturing bases in Europe, close to European customers, to carry out flexible and efficient localized production and improve global delivery efficiency.

The Company has established R&D centers in China, Germany and the United Kingdom, and, by relying on an international coordination mechanism, aligns technology innovation directions precisely by combining global industrial trends with the needs of different regional markets. Its overseas R&D teams provide mature theoretical systems and technical accumulation, while its domestic R&D teams possess the advantages of efficient response and rapid iteration. Through the complementarity of Chinese and overseas R&D resources, the Company has significantly improved R&D efficiency and continuously delivered forward-looking and practical innovative results, providing more competitive solutions to global customers.

(VI) Continuously Improving Product Quality to Ensure Delivery of High-quality Products

The Company adheres to the core philosophy of being customer-centric and focuses on producing high-quality products. By establishing a stringent quality control system and a full-process traceability mechanism, the Company implements strict quality control throughout the production process, prevents issues at the source, standardizes every stage across the full product life cycle, monitors the effective execution of processes, produces products that meet customer needs, enhances the market reputation of our products, and ensures the delivery of high-quality products.

The Company has built world-leading automated production lines and carries out efficient, flexible and lean manufacturing to ensure high-quality production and delivery of products and continuously enhance product competitiveness. Its reliability testing center has obtained CNAS (China National Accreditation Service for Conformity Assessment) accreditation, qualification as a China Energy Efficiency Filing Laboratory, and cooperative laboratory qualifications from TÜV Germany and UL of the United States. By establishing comprehensive simulations of customer application environments, including product function testing, performance testing, application process testing, harsh environment simulation testing, electromagnetic compatibility testing, product reliability validation testing and product accelerated life testing, the Company continuously improves product performance, ensures outstanding quality, narrows the gap with international advanced standards, and provides a long-term support platform.

BUSINESS REVIEW AND PROSPECT

I. Review of Operation during the Reporting Period

During the Reporting Period, the Company recorded revenue of RMB2,577.51 million, remaining broadly stable as compared with the corresponding period in 2025. By business segment, revenue from the industrial robots and intelligent manufacturing systems business amounted to RMB2,136.89 million, representing an increase of 2.22% as compared with the corresponding period in 2025; revenue from the core automation components business amounted to RMB437.50 million, representing a decrease of 4.14% as compared with the corresponding period in 2025. By geographical region, revenue from domestic business amounted to RMB1,641.01 million, representing a decrease of 8.82% as compared with the corresponding period in 2025, while revenue from overseas business amounted to RMB936.49 million, representing an increase of 25.06% as compared with the corresponding period in 2025.

(1) During the Reporting Period, the process of domestic substitution in China's industrial robot market continued to deepen. Demand for intelligent and flexible transformation in downstream manufacturing sectors such as automotive, new energy and electronics continued to be released, the market share of domestic brands increased steadily, and the competitive advantages of leading enterprises became increasingly prominent. According to the latest data released by MIR DATABANK, the Company once again ranked first among all brands in terms of shipment volume in China's industrial robot market in the first half of 2026 and ranked first among domestic brands in terms of shipment volume for eight consecutive years.

(2) During the Reporting Period, revenue from the core automation components business declined slightly as a result of industry fluctuations, market competition, the transfer of a controlling subsidiary and other factors. The Company will actively respond to market changes, continue to optimize its customer mix and explore new market opportunities; strengthen its solution capabilities and accelerate its overseas business expansion; and promote the steady development of its core components business through measures including continuous cost optimization and enhancement of product competitiveness.

(3) During the Reporting Period, the Company adhered to its operating strategy of high-quality development, proactively optimized its customer mix and business mix, orderly reduced the proportion of low-gross-margin businesses and proactively declined certain low-gross-margin orders. Coupled with the impact of factors including the transfer of a controlling subsidiary, revenue from the domestic business decreased as compared with the corresponding period in 2025. While further strengthening its presence in industries where it has established advantages, the Company actively expanded applications in emerging fields, accelerated new customer qualification and the implementation of application scenarios, built diversified and sustainable business growth drivers, continued to lead breakthroughs into high-end application markets, and consolidated and increased its market share in the industry.

(4) During the Reporting Period, leveraging the establishment of its "A+H" dual capital platform, the Company continued to advance its "Local for Global" globalization strategy, stepped up its expansion into overseas markets with global reach, including Europe, the Americas and Southeast Asia, continued to build core benchmark application scenarios and a core ecosystem partner network, and steadily increased its international market share. In the European market, the Company has been included in the supplier lists of a number of leading automotive parts and general industrial customers, with product penetration increasing steadily and orders growing rapidly. During the Reporting Period, the Company's warehousing and manufacturing base in Poland commenced operations, fully leveraging the efficiency advantages of local supply chains in China and Europe to provide global customers with technologically advanced and cost-optimized industrial automation solutions.

During the Reporting Period, the Company's overall gross profit margin was 31.07%, representing an increase of 3.14 percentage points as compared with the corresponding period in 2025. The Company continued to optimize its customer mix and product mix, focus on high-end application products and high-quality, high-gross-margin orders, and enhance product competitiveness. Through cost-reduction and efficiency-enhancing measures such as supply chain and R&D and design optimization, increasing the use of domestic substitutes for raw materials, and adopting lean manufacturing practices, the Company's overall gross profit margin increased significantly as compared with the corresponding period in 2025. Through its dual-wheel-drive strategy of "products + services," the Company provides a full life-cycle after-sales service system. As robot ownership increases and the replacement cycle arrives, the after-sales service market is becoming a new source of profit growth.

During the Reporting Period, the net profit attributable to equity shareholders of the Company amounted to RMB161.33 million, representing an increase of approximately 52 times as compared with the corresponding period in 2025. During the Reporting Period, the Company's EBITDA and adjusted EBITDA amounted to RMB362.34 million and RMB381.18 million, respectively.

During the Reporting Period, the Company's overall gross profit margin improved significantly. Meanwhile, by strengthening refined management and implementing stringent budget control measures, the Company's expense ratio for the period decreased as compared with the corresponding period in 2025. At the same time, based on the Company's actual operating conditions and on a prudent basis, the Company increased its impairment provisions for assets such as trade receivables and inventories as compared with the corresponding period in 2025. During the Reporting Period, the asset restructuring involving Nanjing Technical Equipment Manufacture Co., Ltd., an investee company of the Company, and Nanjing Chemical Fibre Co., Ltd. was completed. The equity interest held by the Company in Nanjing Technical Equipment Manufacture Co., Ltd. was exchanged for an equity interest in Nanjing Chemical Fibre Co., Ltd., a listed company, resulting in an increase in the fair value of the equity interest and a corresponding increase in the Company's non-operating gains and losses.

During the Reporting Period, the Company recorded net cash inflow from operating activities of RMB40.26 million, while the Group recorded net cash outflow from operating activities of RMB119.48 million for the corresponding period in 2025. During the Reporting Period, through measures including rigorously advancing the establishment of a stringent customer credit rating system and establishing a collection incentive mechanism, the Company maintained steady growth in sales collections. At the same time, the Company continued to strengthen its internal cash budget management and, through continuous supply chain optimization, stronger demand forecasting and supply chain coordination, improved inventory turnover. As a result, the Company's operating cash flow and cash turnover days improved. Going forward, the Company will continue to strengthen the management of inventories and receivables and payables, continuously improve operational efficiency, accelerate capital turnover and further enhance the quality of its operating cash flow.

During the Reporting Period, the Company's total R&D investment amounted to RMB250.19 million, representing 9.71% of its revenue. The Company has consistently adhered to a system-level forward R&D strategy, taking customer needs and value realization as the direction for technology and product R&D, breaking through barriers in high-end markets, striving to achieve a transformation from a "technology follower" to a "standard setter," and developing more high-end and efficient advanced intelligent manufacturing equipment. At the same time, the Company will further deepen the integration of robotics and AI technologies and innovation in business models, accelerate the deployment of embodied intelligence in industrial scenarios, and take data as the core, the platform as the link, and ecosystem collaboration as the driving force to build an open robotics + AI industrial ecosystem, develop embodied intelligence solutions for multiple scenarios, and fulfill its corporate mission of "making manufacturing smarter."

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.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by 1.14% from RMB2,548.58 million for the six months ended June 30, 2025 to RMB2,577.51 million for the six months ended June 30, 2026, primarily attributable to the optimization of the Group's product mix, which resulted in an increase in sales revenue from industrial robots and intelligent manufacturing systems.

The following table sets forth a breakdown of the Group's revenue by business line for the periods indicated:

	Six months ended June 30,			
	2026		2025	
	RMB' 000	***%***	*RMB'000*	*%*
Industrial robots and intelligent manufacturing systems	**2,136,885**	**82.9**	2,090,493	82.0
– Industrial robots	1,014,514	39.4	980,048	38.5
– Intelligent manufacturing systems	597,902	23.2	589,970	23.1
– Industrial robot workstations	524,469	20.3	520,475	20.4
Core automation components and motion control systems	**437,504**	**17.0**	456,419	17.9
– Motion control solutions	273,637	10.6	310,506	12.2
– Servo systems	106,842	4.1	98,934	3.9
– Motion control systems	57,025	2.2	46,979	1.8
Rental income from operating leases	**3,118**	**0.1**	1,665	0.1
Total	**2,577,507**	**100.00**	2,548,577	100.00

Note: Any discrepancies between the total figures and the sum of the individual items in the tables set out in this interim report are due to rounding adjustments.

The Group's revenue from the sale of industrial robots and intelligent manufacturing systems increased by 2.22% from RMB2,090.49 million for the six months ended June 30, 2025 to RMB2,136.89 million for the six months ended June 30, 2026, primarily attributable to the optimization of the Group's product mix and the increase in sales of high-payload industrial robots, which resulted in an increase in sales revenue from industrial robots.

The Group's revenue from the sale of core automation components and motion control systems decreased by 4.14% from RMB456.42 million for the six months ended June 30, 2025 to RMB437.50 million for the six months ended June 30, 2026, primarily attributable to the decline in demand from downstream industries such as sheet metal stamping, which resulted in a decrease in revenue from motion control solutions.

The Group's rental income from operating leases increased by 87.27% from RMB1.67 million for the six months ended June 30, 2025 to RMB3.12 million for the six months ended June 30, 2026, primarily attributable to the increase in the floor area of factory premises leased out by subsidiaries, which resulted in a corresponding increase in rental income.

Cost of Sales

The Group's cost of sales decreased by 3.27% from RMB1,836.83 million for the six months ended June 30, 2025 to RMB1,776.76 million for the six months ended June 30, 2026, primarily due to the decrease in product costs resulting from the Group's implementation of cost reduction and efficiency enhancement measures, including optimization of its supply chain and R&D and design, as well as lean manufacturing.

The following table sets forth a breakdown of the Group's costs of sales by business line for the periods indicated:

	Six months ended June 30,			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Industrial robots and intelligent manufacturing systems	**1,475,434**	**83.0**	1,519,541	82.8
– Industrial robots	669,435	37.7	738,179	40.2
– Intelligent manufacturing systems	477,516	26.9	438,260	23.9
– Industrial robot workstations	328,483	18.5	343,102	18.7
Core automation components and motion control systems	**299,991**	**16.9**	316,589	17.2
– Motion control solutions	191,210	10.8	225,381	12.2
– Servo systems	76,758	4.3	62,090	3.4
– Motion control systems	32,024	1.8	29,118	1.6
Rentals	**1,336**	**0.1**	704	0.0
Total	**1,776,761**	**100.00**	1,836,834	100.00

Note: Any discrepancies between the total figures and the sum of the individual items in the tables set out in this interim report are due to rounding adjustments.

The Group's cost of sales of industrial robots and intelligent manufacturing systems decreased by 2.90% from RMB1,519.54 million for the six months ended June 30, 2025 to RMB1,475.43 million for the six months ended June 30, 2026, primarily due to the decrease in the cost of sales of industrial robots and industrial robot workstations resulting from the Group's implementation of cost reduction and efficiency enhancement measures, including optimization of its supply chain and R&D and design, as well as lean manufacturing.

The Group's cost of sales of core automation components and motion control systems decreased by 5.24% from RMB316.59 million for the six months ended June 30, 2025 to RMB299.99 million for the six months ended June 30, 2026, primarily due to the decrease in the cost of sales of motion control solutions resulting from the decline in sales volume of motion control solutions and the implementation of cost reduction and efficiency enhancement measures such as lean manufacturing.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 12.51% from RMB711.74 million for the six months ended June 30, 2025 to RMB800.75 million for the six months ended June 30, 2026. The Group's gross profit margin increased from 27.93% for the six months ended June 30, 2025 to 31.07% for the same period in 2026. The increase in gross profit and gross profit margin was primarily attributable to (i) the optimization of the product mix, with the sales volume and revenue contribution of high-payload robots, which have higher gross profit margins, increasing as compared with the corresponding period in 2025; and (ii) the implementation of price control and cost reduction and efficiency enhancement measures, which resulted in an increase in the gross profit margin of lightweight robots as compared with the corresponding period in 2025, thereby increasing the gross profit margin from the sale of industrial robots and intelligent manufacturing systems. In addition, the gross profit margin of core automation components and motion control systems also increased slightly as compared with the corresponding period in 2025.

The following table sets forth a breakdown of the Group's gross profit and gross profit margin by business line for the periods indicated:

	Six months ended June 30,			
	2026		2025	
	Gross profit *RMB'000*	**Gross profit margin** *%*	Gross profit *RMB'000*	Gross profit margin *%*
Industrial robots and intelligent manufacturing systems	**661,451**	**30.95**	570,952	27.31
– Industrial robots	345,079	34.01	241,869	24.68
– Intelligent manufacturing systems	120,386	20.13	151,710	25.71
– Industrial robot workstations	195,987	37.37	177,373	34.08
Core automation components and motion control systems	**137,513**	**31.43**	139,830	30.64
– Motion control solutions	82,427	30.12	85,125	27.41
– Servo systems	30,084	28.16	36,844	37.24
– Motion control systems	25,002	43.84	17,861	38.02
Rentals	**1,782**	**57.15**	961	57.72
Total	**800,746**	**31.07**	711,743	27.93

Note: Any discrepancies between the total figures and the sum of the individual items in the tables set out in this interim report are due to rounding adjustments.

The Group's gross profit margin of industrial robots and intelligent manufacturing systems increased from 27.31% for the six months ended June 30, 2025 to 30.95% for the same period in 2026, primarily due to the combined effect of the following two factors: (i) the optimization of the product mix, with the sales volume and revenue contribution of high-payload robots, which have higher gross profit margins, increasing as compared with the corresponding period in 2025, together with the implementation of price control and cost reduction and efficiency enhancement measures, which resulted in an increase in the gross profit margin of lightweight robots as compared with the corresponding period in 2025, thereby resulting in a significant year-on-year increase in the gross profit margin of industrial robots; and (ii) the increase in the proportion of projects from new customers and new industries, which increased the complexity and costs of project implementation and resulted in a year-on-year decrease in the gross profit margin of intelligent manufacturing systems.

The Group's gross profit margin of core automation components and motion control systems increased from 30.64% for the six months ended June 30, 2025 to 31.43% for the same period in 2026, primarily due to the combined effect of the following two factors: (i) the implementation of cost reduction and efficiency enhancement measures such as lean manufacturing, which resulted in a year-on-year increase in the gross profit margin of motion control solutions; and (ii) the disposal of the subsidiary Yangzhou Shuguang in the prior period, which resulted in a decrease in the sales contribution of high-gross-margin servo systems and, consequently, a year-on-year decrease in the gross profit margin of servo systems.

Selling Expenses

The Group's selling expenses decreased by 6.47% from RMB213.90 million for the six months ended June 30, 2025 to RMB200.07 million for the six months ended June 30, 2026, primarily due to the Group's strengthened budget control over marketing labor costs and marketing activities, resulting in decreases in employee remuneration and advertising and exhibition expenses as compared with the corresponding period in 2025.

Administrative Expenses

The Group's administrative expenses remained relatively stable at RMB214.46 million for the six months ended June 30, 2026, as compared to RMB214.51 million for the six months ended June 30, 2025.

Research and Development Expenses

The Group's research and development expenses increased by 2.65% from RMB213.71 million for the six months ended June 30, 2025 to RMB219.37 million for the six months ended June 30, 2026, primarily due to the Group's increased investment in R&D materials and assets, resulting in increases in materials consumption and depreciation and amortization expenses as compared with the corresponding period in 2025.

Impairment Loss on Intangible Assets and Goodwill

The Group recorded impairment loss on intangible assets amounting to RMB5.36 million for the six months ended June 30, 2026, while no impairment loss on intangible assets was recorded for the corresponding period in 2025. The increase was primarily due to the recognition of impairment loss on intangible assets during the Reporting Period.

Impairment Loss on Trade Receivables and Contract Assets

The Group recorded impairment loss on trade receivables and contract assets amounting to RMB27.56 million for the six months ended June 30, 2026, as compared to RMB0.20 million for the corresponding period in 2025. The significant increase was primarily due to the tightening of liquidity in industries such as the automotive and new energy industries as a result of the macro market environment during the Reporting Period, which led to longer collection cycles for certain customers and an increase in the Group's trade receivables, resulting in an increase in impairment loss on trade receivables as compared with the corresponding period in 2025.

Finance Costs

The Group recorded finance costs of RMB67.19 million for the six months ended June 30, 2026, as compared to RMB83.84 million for the corresponding period in 2025. Such fluctuation was primarily due to the decrease in the scale of the Company's bank loans as compared with the corresponding period in 2025, resulting in lower interest expenses.

Profit for the Period

As a result of the foregoing, the Group's results improved from a profit of RMB9.00 million for the six months ended June 30, 2025 to a profit of RMB158.98 million for the six months ended June 30, 2026.

Non-IFRS Financial Measures

To supplement its consolidated statement of profit or loss presented in accordance with IFRS, the Group also uses EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. 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 (iii) listing expenses.

The Group believes that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of certain non-operating items. It believes that these non-IFRS measures provide useful information to investors and others in understanding and evaluating its results of operations in the same manner as they help its management. However, the presentation of EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS.

The following table sets forth a reconciliation of the Group's EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) to profit for the period in respect of the periods indicated:

	Six months ended June 30,	
	2026	2025
Profit before taxation	**196,309**	27,389
Adjusted for:		
Add:		
– finance costs	**67,187**	83,838
– depreciation and amortization[1]	**103,112**	99,715
Less:		
– interest income from bank deposits[2]	**(4,267)**	(6,549)
EBITDA (non-IFRS measure)	**362,341**	204,393
Adjusted for:		
Add:		
– equity-settled share-based payment expenses[3]	**12,090**	5,226
– impairment loss on intangible assets	**5,357**	–
– listing expenses	**1,390**	648
Adjusted EBITDA (non-IFRS measure)	**381,178**	210,267

Notes:

(1) Representing depreciation of property, plant and equipment, right-of-use assets and investment property and amortization of intangible assets and long-term deferred expenses.

(2) Representing interest income from bank deposits recorded as other net income.

(3) Representing equity-settled share-based payment expenses relating to the share option scheme and share reward schemes.

Operating Activities

During the Reporting Period, the Group's net cash generated from operating activities was RMB40.26 million, while the Group recorded net cash used in operating activities of RMB119.48 million for the corresponding period in 2025. The net cash inflow as compared with the net cash outflow in corresponding period in 2025 was primarily due to (i) an increase in cash received from the sale of goods and rendering of services as compared with the corresponding period in 2025; and (ii) the optimization of the Group's team structure, which resulted in a decrease in cash paid to and on behalf of employees as compared with the corresponding period in 2025.

Investing Activities

During the Reporting Period, the Group's net cash used in investing activities amounted to RMB348.51 million, primarily comprising RMB584.45 million paid for purchases of wealth management products, partially offset by RMB291.00 million of proceeds from redemption of wealth management products. The Group recorded net cash used in investing activities of RMB96.96 million for the corresponding period in 2025. The net cash outflow increased as compared with the corresponding period in 2025, primarily due to the increase in net cash paid for purchases of wealth management products.

Financing Activities

During the Reporting Period, the Group's net cash generated from financing activities amounted to RMB1,264.90 million, primarily comprising (i) net proceeds of RMB1,271.25 million from the issuance of ordinary shares through the initial public offering; and (ii) proceeds from bank loans of RMB1,230.01 million, partially offset by repayment of bank loans of RMB1,172.50 million. The Group recorded net cash generated from financing activities of RMB356.69 million for the corresponding period in 2025. The net cash inflow increased as compared with the corresponding period in 2025, primarily due to the proceeds raised from the public offering of shares during the Reporting Period.

Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2026 consisted of bank deposits and cash, mainly denominated in Renminbi, U.S. dollars and Euros.

Debt-to-Capital Ratio

During the Reporting Period, 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 June 30, 2026 was 59.21% (December 31, 2025: 141.07%).

Net Current Assets

As of June 30, 2026, the Group's net current assets were approximately RMB1,410.53 million, representing an increase of approximately RMB1,292.26 million from approximately RMB118.27 million as of December 31, 2025. The increase in net current assets was primarily due to the proceeds raised from the public offering of shares by the Group during the Reporting Period, resulting in increases in the balances of cash and cash equivalents and wealth management products as of the end of the Reporting Period.

Bank Loans

As of June 30, 2026, the Group's bank loans were approximately RMB3,310.75 million, representing an increase of approximately 1.54% from approximately RMB3,260.39 million as of December 31, 2025. As of June 30, 2026, RMB2,014.54 million of the Group's interest-bearing bank loans were at floating interest rate and RMB1,296.21 million were at fixed interest rate. As of the same date, RMB3,179.90 million were denominated in RMB and RMB130.85 million were denominated in foreign currencies such as U.S. dollars and Euros.

Capital Commitments and Contingent Liabilities

As of June 30, 2026, the Group had outstanding capital commitments for fixed assets of approximately RMB95.31 million (as of December 31, 2025: approximately RMB145.22 million). As of June 30, 2026, the Group did not have any contingent liabilities.

Significant Investments

As of June 30, 2026, the Group had not held any significant investment, including any investment in an investee company where the fair value of such investment was equal to or greater than 5% of the Group's total assets as of June 30, 2026.

Material Acquisitions and Disposals

During the Reporting Period, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Pledge of Assets

As of June 30, 2026, certain of the Group's assets with a net book value of approximately RMB345.70 million (December 31, 2025: RMB445.38 million) were pledged to secure the Group's bank loans.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the section headed "USE OF PROCEEDS FROM THE GLOBAL OFFERING" in this report, as of June 30, 2026, the Group did not have any other detailed future plans for material investments or capital assets.

Gearing Ratio

As of June 30, 2026, the Group's gearing ratio, being total debt divided by total assets as of the end of the period and multiplied by 100%, was 68.22%, as compared to 78.56% as of December 31, 2025.

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 June 30, 2026, the Group had a total of 3,152 full-time employees across its global operations, of whom 2,064 employees were located in China, representing 65.48% of the Group's total number of employees as of the same date, while the remaining 1,088 employees were located overseas, primarily in Germany, Poland, the United Kingdom and the United States. The following table sets forth a breakdown of the Group's employees by function as of the same date:

Functions	Number of Employees	% of Total Employees
Production and procurement	1,069	33.91%
Research and development	915	29.03%
Sales and marketing	695	22.05%
General administration and management	355	11.26%
Finance	86	2.73%
Others	32	1.02%
Total	**3,152**	**100.0%**

For the six months ended June 30, 2026, the Group's total employee remuneration expenses, including equity incentive expenses, amounted to RMB619.69 million (for the six months ended June 30, 2025: RMB640.93 million). Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice. 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 remuneration of the Directors is reviewed by the Remuneration and Appraisal Committee and approved by the Board. The relevant Directors' experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

The Group believes it has maintained good relationships with its employees. The Company has established a labor union. As of the date of this report, the Group did not experience any strikes or any labor disputes with its employees which have had or are likely to have a material effect on its business.

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 has adopted the 2022 A-share Employee Share Ownership Plan, the 2025 Share Option Scheme and the 2025 Restricted Share Scheme to incentivize its Directors and eligible employees. Details of the relevant schemes are set out in the sections headed "Corporate Governance and Other Information – 2025 Employee Incentive Schemes" and "Corporate Governance and Other Information – 2022 A-Share Employee Share Ownership Plans."

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and its Shareholders.

The Company has adopted the applicable code provisions of the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules. As the Company's H Shares were listed on the Stock Exchange on March 9, 2026 (i.e. the Listing Date), the CG Code is only applicable to the Company since Listing Date.

The Board considered that the Company has complied with applicable code provisions set out in the CG Code during the period from the Listing Date to the date of this report. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board developed, reviewed and monitored the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and compliance manual applicable to employees and Directors, and the Company's compliance with the CG Code and disclosure in this report.

MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Listing Date, the Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, senior management members, and employees who, because of their office or employment, are likely to possess inside information in relation to the Group or the Company's securities.

Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code since the Listing Date and up to the date of this report. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management members or relevant employees of the Group since the Listing Date and up to the date of this report.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the CG Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to propose to the Board the appointment and replacement of external audit firms, supervise the implementation of the Group's internal audit system, liaise between the internal audit department and external auditors, and review the Group's financial information and related disclosures. The Audit Committee consists of Dr. Han Xiaofang, Mr. Lin Jinjun and Mr. Xu Guojin, all being independent non-executive Directors, with Dr. Han Xiaofang being the chairlady of the committee. Dr. Han Xiaofang holds the appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2026 and the accounting principles and practices adopted by the Group and has discussed with the management on issues in relation to internal control, risk management and financial reporting. The Audit Committee has confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2026 have not been reviewed by the external auditors of the Company.

CHANGES IN INFORMATION OF THE DIRECTORS AND CHIEF EXECUTIVE OFFICER

(1). Mr. He Lingjun (何靈軍) resigned from his positions as an executive Director, the financial director, the deputy general manager of the Company, and a member of the ESG Committee of the Board, all with effect from April 30, 2026;

(2). Mr. Wu Kan (吳侃), an executive Director, vice chairman of the Board and general manager, has been appointed as the temporary financial director since April 30, 2026;

(3). Mr. Zhu Zhangxing (朱樟興) was appointed as executive Director and a member of the ESG Committee of the Board with effect from July 9, 2026;

(4). Dr. Tang Wencheng (湯文成) retired from his position of independent non-executive Director, the chairperson of the Nomination Committee, a member of the Audit Committee, a member of the Strategic Committee and a member of the ESG Committee with effect from July 9, 2026;

(5). To fill the vacancy of Dr. Tang Wencheng, Mr. Xu Guojin (許郭晉) was appointed as an independent non-executive Director, the chairperson of the Nomination Committee, a member of the Audit Committee and a member of the ESG Committee with effect from July 9, 2026; and

(6). Mr. Lin Jinjun was appointed as a member of the Strategic Committee with effect from July 9, 2026.

Save as otherwise disclosed in this report, there have been no other changes in information of the Directors and Chief Executive Officer since January 1, 2026 up to the date of this report as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2026, the interests or short positions of the Directors and chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in the Shares and underlying Shares of the Company

Name of Director	Nature of interest[1]	Class of shares	Number of Shares	Percentage of the total share capital of the same class[2]
Mr. Wu Bo	Beneficial Owner	A Shares	110,996,700	12.74%
	Interest in Controlled Corporation[3]	A Shares	254,894,742	29.26%
Mr. Wu Kan	Beneficial Owner	A Shares	1,263,033	0.15%
Mr. Zhu Chunhua[4]	Beneficial owner	A Shares	168,600	0.02%
Mr. Zhou Ailin[5]	Beneficial owner	A Shares	264,500	0.03%
Ms. Chen Yinlan[6]	Beneficial owner	A Shares	143,160	0.02%
Mr. Zhu Zhangxing[7]	Beneficial owner	A Shares	182,000	0.02%

Notes:

(1) All interests stated are long positions;

(2) The calculation is based on the total number of issued A Shares of the Company as of June 30, 2026, being 871,018,453 Shares.

(3) Nanjing Primest is controlled by Mr. Wu Bo and therefore Mr. Wu Bo is deemed to be interested in the 254,894,742 A Shares held by Nanjing Primest.

(4) Shares in which Mr. Zhu Chunhua is interested consist of (i) 68,600 A Shares directly held by Mr. Zhu Chunhua, (ii) 40,000 A Shares indirectly beneficially owned by Mr. Zhu Chunhua under the 2022 A-share Employee Share Ownership Plan, which were fully vested and unlocked in April 2026, and (iii) 60,000 A Shares granted to Mr. Zhu Chunhua under the 2025 Restricted Share Scheme, which were registered and subject to fulfillment of the performance targets, shall be unlocked in three tranches at 30%, 30% and 40%, respectively, during the periods from 12 to 24 months, 24 to 36 months, and 36 to 48 months from the date of grant.

(5) Shares in which Mr. Zhou Ailin is interested consist of (i) 164,500 A Shares directly held by Mr. Zhou Ailin, (ii) 40,000 A Shares indirectly beneficially owned by Mr. Zhou Ailin under the 2022 A-share Employee Share Ownership Plan, which were fully vested and unlocked in April 2026, and (iii) 60,000 A Shares granted to Mr. Zhou Ailin under the 2025 Restricted Share Scheme, which were registered and subject to fulfillment of the performance targets, shall be unlocked in three tranches at 30%, 30% and 40%, respectively, during the periods from 12 to 24 months, 24 to 36 months, and 36 to 48 months from the date of grant.

(6) Shares in which Ms. Chen Yinlan is interested consist of (i) 58,000 A Shares directly held by Ms. Chen Yinlan, (ii) 25,160 A Shares indirectly beneficially owned by Ms. Chen Yinlan under the 2022 A-share Employee Share Ownership Plan, which were fully vested and unlocked in April 2026, and (iii) 60,000 A Shares granted to Ms. Chen Yinlan under the 2025 Restricted Share Scheme, which were registered and subject to fulfillment of the performance targets, shall be unlocked in three tranches at 30%, 30% and 40%, respectively, during the periods from 12 to 24 months, 24 to 36 months, and 36 to 48 months from the date of grant.

(7) Mr. Zhu Zhangxing was appointed as executive Director with effect from July 9, 2026. Shares in which Mr. Zhu Zhangxing is interested consist of (i) 62,000 A Shares directly held by Mr. Zhu Zhangxing, (ii) 60,000 A Shares indirectly beneficially owned by Mr. Zhu Zhangxing under the 2022 A-share Employee Share Ownership Plan, which were fully vested and unlocked in April 2026, and (iii) 60,000 A Shares granted to Mr. Zhu under the 2025 Restricted Share Scheme, which were registered and subject to fulfillment of the performance targets, shall be unlocked in three tranches at 30%, 30% and 40%, respectively, during the periods from 12 to 24 months, 24 to 36 months, and 36 to 48 months from the date of grant.

Save as disclosed above, as of June 30, 2026, so far as the Directors and the chief executive of the Company are aware, none of the Directors or the chief executive of the Company had or were deemed to have any interest or short position in any Shares or underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which was required (i) to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO; (ii) to be recorded in the register required to be kept by the Company under Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2026, the interests of relevant persons (other than a Director or the chief executive of the Company) who had interests or short positions in the Shares or the underlying shares, which were required to be notified under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest[1]	Type of shares	Number of Shares held	Percentage of the total share capital of the same class
Mr. Wu Bo	Beneficial Owner	A Shares	110,996,700	12.74 %[2]
	Interest in Controlled Corporation[4]	A Shares	254,894,742	29.26%[2]
Nanjing Primest	Beneficial Owner[5]	A Shares	254,894,742	29.26%[2]
Ms. Liu Fang	Spousal interest	A Shares	365,891,442	42.01%[2]
Harvest International Premium Value (Secondary Market) Fund SPC acting on behalf of and for the account of Harvest Oriental SP	Beneficial Owner	H Shares	10,177,200	10.52%[3]
Hengtong Optic-electric International Co., Limited	Beneficial Owner	H Shares	7,633,000	7.89%[3]
Dream'ee (Hong Kong) Open-ended Fund Company	Beneficial Owner	H Shares	5,208,200	5.38%[3]
Morgan Stanley & Co. International plc	Beneficial owner	H Shares	5,635,099	5.82%[3]
Morgan Stanley International Holdings Inc.	Interest in Controlled Corporation	H Shares	5,635,099	5.82%[3]
Morgan Stanley International Limited	Interest in Controlled Corporation	H Shares	5,635,099	5.82%[3]
Morgan Stanley Investments (UK)	Interest in Controlled Corporation	H Shares	5,635,099	5.82%[3]
Deep Source Holdings Limited	Beneficial owner	H Shares	5,088,600	5.26%[3]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of issued A Shares of the Company as of June 30, 2026, being 871,018,453 Shares.

(3) The calculation is based on the total number of issued H Shares of the Company as of June 30, 2026, being 96,780,000 Shares.

(4) Nanjing Primest is controlled by Mr. Wu Bo and therefore Mr. Wu Bo is deemed to be interested in the 254,894,742 A Shares held by Nanjing Primest.

(5) (i) Pursuant to a financing arrangement dated May 21, 2025, a financial institution lent a loan amounting to RMB50 million to Nanjing Primest at an annual interest rate of 3.0% and Nanjing Primest Technology Co., Ltd. pledged 11,000,000 A Shares in the Company to the lending financial institution as security. On May 14, 2026, the 11,000,000 A Shares share pledge was fully discharged and released; and (ii) On May 11, 2026, Nanjing Primest pledged 13,500,000 A shares in the Company held by it in favour of China CITIC Bank Corporation Limited Nanjing Branch an authorized institution as defined in the Banking Ordinance, for a bona fide commercial loan on May 8, 2026.

Save as disclosed above, as of June 30, 2026, so far as the Company's directors and chief executive were aware, no persons (other than the Company's directors and chief executive) had an interest or short position in the Company's shares or underlying shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the period from the Listing Date and up to June 30, 2026.

As of June 30, 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

2025 EMPLOYEE INCENTIVE SCHEMES

The Company approved and adopted the 2025 Share Option Scheme and the 2025 Restricted Share Scheme on June 20, 2025. The share options under the 2025 Share Option Scheme and restricted shares under the 2025 Restricted Share Scheme were granted on June 20, 2025. The Company entered into agreements with relevant employees on July 8, 2025. Since no further options or awards have been or will be granted by the Company pursuant to the 2025 Employee Incentive Schemes after the Listing, the provisions of Chapter 17 of the Listing Rules do not apply to the terms of the 2025 Employee Incentive Schemes. For details on the 2025 Share Option Scheme and the 2025 Restricted Share Scheme, please refer to "Appendix VI – Statutory and General Information – 4. Employee Incentive Schemes" of the Prospectus.

2025 Share Option Scheme

The purpose of the 2025 Share Option Scheme is to further enhance the Company's long-term incentive mechanism, attract and retain outstanding talent, and fully mobilize the enthusiasm of the Company's key staff. Options granted pursuant to the 2025 Share Option Scheme will be satisfied by A Shares to be allotted and issued by the Company. The 2025 Share Option Scheme shall be valid and effective for the period of time commencing from the date of grant of options, i.e. June 20, 2025 (the "**Effective Date**") and expiring on the day when all options granted to the eligible participants under the 2025 Share Option Scheme are exercised or cancelled, which shall in any event be no later than the date which is 48 months after the Effective Date.

As of the date of this report, no option was granted to any Director, senior management or connected persons of the Company. Details of the share options granted pursuant to the 2025 Share Option Scheme and the movements during the Reporting Period are set out below:

Range of outstanding A Shares for Options granted	Total number of grantees	Date of Grant[Note (1)]	Number of share options outstanding as of January 1, 2026	Exercise price (per Share)	Exercise Period	Number of share options granted during the Reporting Period	Number of share options exercised during the Reporting Period	Number of share options lapsed during the Reporting Period	Number of share options cancelled during the Reporting Period	Number of share options outstanding as of June 30, 2026
1 – 10,000	0	June 20, 2025	0	RMB20.53	*See Note (2)*	0	0	0	0	0
10,001 – 20,000	18		360,000			0	0	0	0	360,000
20,001 – 30,000	109		2,910,000			0	0	0	0	2,910,000
30,001 – 40,000	0		0			0	0	0	0	0
40,001 or above	1		50,000			0	0	0	0	50,000

Notes:

(1) The closing price of the A Shares immediately before the date of grant of the share options was RMB19.29 per Share.

(2) The share options shall be vested and become exercisable in three tranches at 30%, 30% and 40%, respectively, during the periods of (i) 12 to 24 months, (ii) 24 to 36 months and (iii) 36 to 48 months from the date of grant under the 2025 Share Option Scheme, subject to the fulfillment of conditions including the performance targets set out in the 2025 Share Option Scheme.

On 2 September 2026, a total of 114 eligible participants exercised 867,600 share options, and the Company issued an additional 867,600 A Shares, representing 0.09% of the total number of issued shares of the Company as of the date of this report. As of the date of this report, 2,047,500 share options remained unexercised, which may be exercised to subscribe for an aggregate of 2,047,500 A Shares, representing 0.21% of the total number of issued shares of the Company as of the date of this report.

2025 Restricted Share Scheme

The purpose of the 2025 Restricted Share Scheme is to improve the Group's corporate governance structure and incentivize the Group's management and key employees to achieve a sustained and long-term development of the Group. The Shares underlying the 2025 Restricted Share Scheme were A Shares allotted and issued by the Company. The 2025 Restricted Share Scheme shall be valid and effective for the period of time commencing from the date of grant of awards, i.e. June 20, 2025 (the "**Effective Date**") and expiring on the day when all awards granted under the 2025 Restricted Share Scheme are unlocked or repurchased, which shall in any event be no later than the date which is 48 months after the Effective Date.

The following table sets forth the number of outstanding restricted Shares granted to the Directors and senior management of the Company under the 2025 Restricted Share Scheme and the movements during the Reporting Period:

Name of the grantee	Position in the Company	Number of outstanding restricted Shares as of January 1, 2026	Date of Grant[Note (1)]	Grant Price	Unlocking Period	Number of restricted Shares granted during the Reporting Period	Number of restricted Shares lapsed during the Reporting Period	Number of restricted Shares cancelled during the Reporting Period	Number of restricted Shares unlocked during the Reporting Period	Number of outstanding restricted Shares as of June 30, 2026
Current Directors and Senior Management										
Ms. Chen Yinlan	Non-executive Director	60,000	June 20, 2025	RMB10.27	*Please refer to Note (2)*	0	0	0	0	60,000
Mr. Zhou Ailin	executive Director and vice general manager	60,000				0	0	0	0	60,000
Mr. Zhu Chunhua	executive Director and vice general manager	60,000				0	0	0	0	60,000
Mr. Yin Chenggang	Deputy general manager	60,000				0	0	0	0	60,000
Mr. Zhu Zhangxing	Executive Director[(3)] and Deputy general manager	60,000				0	0	0	0	60,000
Xiao Tingting	Board Secretary	40,000				0	0	0	0	40,000
Former Director										
Mr. He Lingjun[(4)]	Former executive Director	60,000	June 20, 2025	RMB10.27	*Please refer to Note (2)*	0	0	0	0	60,000

Notes:

(1) The closing price of the A Shares immediately before the date of grant of the restricted Shares was RMB19.29 per Share.

(2) Subject to fulfillment of the performance targets, the awards held by the participants shall be unlocked in three tranches at 30%, 30% and 40%, respectively, during the periods from 12 to 24 months, 24 to 36 months, and 36 to 48 months from the date of grant.

(3) Mr. Zhu Zhangxing (朱樟興) was appointed as executive Director with effect from July 9, 2026.

(4) Mr. He Lingjun (何靈軍) resigned from his positions as an executive Director with effect from April 30, 2026.

The table below sets forth the details of outstanding restricted Shares granted to other grantees (excluding Directors and senior management of the Company) under the 2025 Restricted Share Scheme and the movements during the Reporting Period.

Range of outstanding restricted Shares granted	Total number of grantees	Number of outstanding restricted Shares as of January 1, 2026	Date of Grant[Note (1)]	Grant Price	Unlocking Period	Number of restricted Shares granted during the Reporting Period	Number of restricted Shares lapsed during the reporting Period	Number of restricted Shares cancelled During the Reporting Period	Number of restricted Shares unlocked during the Reporting Period	Number of outstanding restricted Shares as of June 30, 2026
1 – 10,000	0	0	June 20, 2025	RMB10.27	*Please refer to Note (2)*	0	0	0	0	0
10,001 – 20,000	55	1,095,000				0	0	0	0	1,095,000
20,001 – 30,000	54	1,430,000				0	0	0	0	1,430,000
30,001 – 40,000	13	515,000				0	0	0	0	515,000
40,001 or above	11	560,000				0	0	0	0	560,000

Notes:

(1) The closing price of the A Shares immediately before the date of grant of the restricted Shares was RMB19.29.

(2) Subject to fulfillment of the performance targets, the awards held by the participants shall be unlocked in three tranches at 30%, 30% and 40%, respectively, during the periods from 12 to 24 months, 24 to 36 months, and 36 to 48 months from the date of grant.

On September 2, 2026, 1,073,700 restricted A Shares were released from the lock-up, representing 0.11% of the total number of issued shares of the Company as of the date of this report. As of the date of this report, 2,604,000 restricted A Shares had not yet been released from the lock-up, representing 0.27% of the total number of issued shares of the Company as of the date of this report.

2022 A-SHARE EMPLOYEE SHARE OWNERSHIP PLANS

Purpose

The 2022 A-share Employee Share Ownership Plan aims to enable employees of the Company to participate in this employee share ownership plan on a voluntary, lawful and compliant basis, thereby establishing and improving a benefit-sharing mechanism between employees and Shareholders.

Source of Shares

The underlying Shares involved in the 2022 A-share Employee Share Ownership Plan are ordinary A Shares of the Company repurchased from the secondary market. On August 25, 2022, 6.7274 million Shares of the Company held in the Company's repurchase-dedicated securities account were transferred by way of non-trading transfer to the special account opened under "ESTUN AUTOMATION CO., LTD. – Phase I and the 2022 Employee Share Ownership Plan". The non-trading transfer of shares under the Company's 2022 Employee Share Ownership Plan was completed. As the 2022 A-share Employee Share Ownership Plan constitutes a share scheme involving grants of existing shares by the Company and does not involve the issue of any new shares by the Company or the grant of options over any new shares, it is only subject to the applicable disclosure requirements under Chapter 17 of the Listing Rules. However, the A-share Employee Share Ownership Plan remains subject to the approval, disclosure and other relevant requirements under applicable laws and regulations.

Grant price

The grant price under the 2022 A-share Employee Share Ownership Plan was RMB1.00 per Share, which was determined by the Company based on its actual circumstances, the objectives of the Employee Share Ownership Plan, and on the basis of compliance with the relevant laws, regulations and regulatory documents. The subscription funds under the Employee Share Ownership Plan have been fully paid in by the participating employees.

Term, lock-up period and unlocking arrangement

The duration of the 2022 A-share Employee Share Ownership Plan shall not exceed 93 months, commencing from the date on which the last tranche of the underlying Shares is transferred to this employee share ownership plan, i.e. August 25, 2022 (the "**Transfer Announcement Date**"). If the underlying Shares held under the Employee Share Ownership Plan are unlocked and sold in full ahead of schedule, this employee share ownership plan shall terminate early.

The 2022 A-share Employee Share Ownership Plan shall be unlocked in two phases, and the allotments unlocked in each phase are planned to be sold in two batches. The specific unlocking and sale schedule is as follows:

Unlocking tranche	Relevant assessment year	Unlocking date[Note (1)]	Unlocking percentage	Sale period	Sale Date	Sale percentage
First unlocking	2022	April 30, 2026	40%	First sale period	Within one year from 12 months after the relevant allotment is unlocked	50%
				Second sale period	Within one year from 24 months after the relevant allotment is unlocked	50%
Second unlocking	2023	April 30, 2027	60%	First sale period	Within one year from 12 months after the relevant allotment is unlocked	50%
				Second sale period	Within one year from 24 months after the relevant allotment is unlocked	50%

Note:

(1) The Employee Share Ownership Plan takes the two fiscal years of 2022 and 2023 as the performance assessment period. Through an assessment of the Company's performance indicators and individual performance indicators, the final allotments and proportions to be unlocked in each holder under this employee share ownership plan will be determined.

List of Holders and Details of Allotments under the 2022 A-share Employee Share Ownership Plan

Name	Position	Maximum number of A Shares corresponding to the subscription allotment granted (shares)	% of the effective total allotment under the 2022 A-share Employee Share Ownership Plan	% of the total share capital of the Company as of the date of this report
Current Directors and Senior Management				
Mr. Zhu Chunhua	Executive Director	40,000	1.81%	0.004%
Mr. Zhou Ailin	Executive Director	40,000	1.81%	0.004%
Ms. Chen Yinlan	Executive Director	25,160	1.14%	0.003%
Mr. Zhu Zhangxing	Executive Director(1)	60,000	2.71%	0.006%
Ms. Xiao Tingting	Board Secretary	20,000	0.90%	0.002%
Former Director				
Mr. He Lingjun	Former Executive Director(2)	60,000	2.71%	0.006%
Other employees (149 persons)		1,965,200	88.91%	0.20%
Total		**2,210,360(3)**	**100%**	**0.23%**

Notes:

(1) Mr. Zhu Zhangxing (朱樟興) was appointed as executive Director with effect from July 9, 2026. Among the five highest paid individuals during the Reporting Period, Mr. Zhu Zhangxing was granted awards under the 2022 A Share Employee Shareholding Plan, while the other four individuals were not granted any awards under the 2022 A Share Employee Shareholding Plan.

(2) Mr. He Lingjun (何靈軍) resigned from his positions as an executive Director with effect from April 30, 2026.

(3) As at the beginning of the Reporting Period, the effective Shares held by employees under the 2022 Employee Share Ownership Plan amounted to 2,277,360 Shares. As of the end of the Reporting Period, the Company had cumulatively recovered 4,517,040 Shares of allotments that could not be unlocked due to the failure to meet the Company-level performance assessment targets for the second unlocking period, and certain participants were no longer eligible to participate in the 2022 Employee Share Ownership Plan due to their resignation, and the effective allotments held by employees under the 2022 Employee Share Ownership Plan amounted to 2,210,360 Shares.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares of the Company were listed on the Main Board of the Stock Exchange on March 9, 2026. The Company issued 96,780,000 H Shares at an offer price of HK$15.36 under its Global Offering. The nominal value of the H Shares is RMB1.00 per H Share. The net proceeds from the Global Offering received by the Company (after deducting underwriting commissions and related costs and expenses) amounted to approximately HK$1,407.35 million (the "**Net Proceeds**").

As of June 30, 2026, there has been no change in the intended use of the Net Proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The details of use of the Net Proceeds are as follows:

Usage	Percentage of total	Planned allocation of net proceeds *HK$ million* (Approximate)	As of June 30, 2026 Utilized Amount *HK$ million* (Approximate)	Unutilized Amount *HK$ million* (Approximate)	Expected timeline for full utilization of the proceeds[1]
Expansion of the Group's global production capacity	25.0%	351.8	19.9	332.0	Before December 31, 2028
Selectively pursue strategic alliances, investment and acquisition opportunities along the upstream and downstream of the global industry chain	25.0%	351.8	–	351.8	Before December 31, 2027
Investment in R&D projects to advance next generation industrial robotics technologies	20.0%	281.5	75.1	206.3	Before December 31, 2027
Enhancement of the Group's global service capabilities and development of digital management systems across the organization	10.0%	140.7	13.1	127.7	Before December 31, 2028
Partial repayment of existing loans	10.0%	140.7	140.7	–	N/A
Working capital and general corporate purposes	10.0%	140.7	140.7	–	N/A
Total[2]	**100%**	**1,407.4**	**389.5**	**1,017.8**	**N/A**

Notes:

(1) The expected timetable for the full utilization of the remaining Net Proceeds as set out in the table above is based on the best estimate of the Group with respect to future market conditions, which may be subject to change depending on the development of current and future market conditions.

(2) Due to rounding, the total figures may not be equal to the sum of the individual amounts.

The remaining balance of the Net Proceeds from the Global Offering will continue to be used in accordance with the purposes and proportions disclosed in the Prospectus. As disclosed in the Prospectus, to the extent permitted by applicable laws and regulations, if the net proceeds are not immediately applied to their intended purposes, the Company will only place the net proceeds as short-term deposits with licensed banks or financial institutions. As of the date of this report, the Company has deposited the unutilized Net Proceeds in short-term interest-bearing accounts with licensed banks and/or other authorized financial institutions.

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

At the Company's 2025 annual general meeting held on May 21, 2026, the Shareholders passed the amendments to the Articles of Association as a special resolution. For details, please refer to the relevant announcements of the Company dated April 29, 2026 and May 21, 2026 and the circular of the Company dated April 29, 2026.

ONGOING DISCLOSURE RESPONSIBILITIES UNDER THE HONG KONG LISTING RULES

Save as disclosed in this report, the Company has no other disclosure responsibilities under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 had any right to subscribe for Shares or debentures of the Company or any other body corporate or had exercised any such right.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2026.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the six months ended June 30, 2026 which could have a material and adverse effect on our financial condition or results of operations. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended June 30, 2026 and up to the date of this report which could have a material and adverse effect on our financial condition or results of operations.

EVENTS AFTER THE REPORTING PERIOD

(1). Mr. Zhu Zhangxing (朱樟興) was appointed as an executive Director and a member of the ESG Committee of the Board with effect from July 9, 2026. Dr. Tang Wencheng (湯文成) retired from his position of independent non-executive Director, the chairperson of the Nomination Committee, a member of the Audit Committee, a member of the Strategic Committee and a member of the ESG Committee with effect from July 9, 2026. To fill the vacancy of Dr. Tang Wencheng, Mr. Xu Guojin (許郭晉) was appointed as an independent non-executive Director, the chairperson of the Nomination Committee, a member of the Audit Committee and a member of the ESG Committee and Mr. Lin Jinjun was appointed as a member of the Strategic Committee, all with effect from July 9, 2026. Please refer to the announcement and circular dated June 22, 2026, and the poll result announcement dated July 9, 2026 for further details.

(2). On August 4, 2026, Estun Robot and Dingtong Electromechanical (both being wholly-owned subsidiaries of the Company) entered into an equity purchase agreement with Nanjing Estun Codroid Technology Co., Ltd. (南京埃斯頓酷卓科技有限公司) ("**Estun Codroid**") and its shareholders in relation to the acquisition of Estun Codroid. Upon completion, Estun Codroid will become an indirect wholly-owned subsidiary of the Company and the financial results of Estun Codroid will be consolidated into the financial statements of the Group. The transaction was approved by the Board on August 4, 2026 and further approved at the extraordinary general meeting of the Company (the "**EGM**") on August 31, 2026. Please refer to the announcement dated August 4, 2026, the circular dated August 11, 2026 and the announcement dated August 31, 2026 for further details.

(3). On August 11, 2026, the Board approved the proposed (i) repurchase and cancellation of an aggregate of 322,300 Restricted Shares, being all or part of the Restricted Shares granted to 21 Restricted Share incentive participants but not yet released from lock-up under the 2025 Restricted Share Scheme; and (ii) cancellation of an aggregate of 384,900 Share Options, being all or part of the Share Options granted to 17 Share Option incentive participants but not yet exercised under the 2025 Share Option Scheme (collectively, the "**Repurchase and Cancellation**"). As of the date of this report, the Repurchase and Cancellation was approved at the EGM on August 31, 2026. Please refer to the announcement and circular dated August 11, 2026 and the announcement dated August 31, 2026 for further details.

Save as disclosed in this report, the Company is not aware of any material subsequent events from June 30, 2026 to the date of this report.

By order of the Board
Mr. Wu Bo
Chairman

Nanjing, PRC, August 21, 2026

Consolidated Statement of Profit or Loss

for the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	4	**2,577,507**	2,548,577
Cost of sales		**(1,776,761)**	(1,836,834)
Gross profit		**800,746**	711,743
Other net income	5	**130,183**	44,493
Selling expenses		**(200,074)**	(213,904)
Administrative expenses		**(214,458)**	(214,512)
Research and development expenses		**(219,365)**	(213,713)
Impairment loss on trade receivables and contract assets		**(27,561)**	(202)
Impairment loss on intangible assets		**(5,357)**	–
Profit from operations		**264,114**	113,905
Finance costs	6(a)	**(67,187)**	(83,838)
Share of profits less losses of associates		**(618)**	(2,678)
Profit before taxation		**196,309**	27,389
Income tax	7	**(37,333)**	(18,389)
Profit for the period		**158,976**	9,000
Attributable to:			
Equity shareholders of the Company		**161,326**	3,050
Non-controlling interests		**(2,350)**	5,950
Profit for the period		**158,976**	9,000
Earnings per share			
Basic (RMB)		**0.18**	–*
Diluted (RMB)	8	**0.18**	–*

* The amount is less than 0.01.

The notes on pages 44 to 67 form part of the interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2026 – unaudited

(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	**158,976**	9,000
Other comprehensive income for the period (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)	**–**	(16,166)
Items that are or may be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit plan obligations of overseas entities	**628**	(10,282)
Exchange differences on translation of financial statements of overseas entities	**(106,411)**	169,268
Other comprehensive income for the period	**(105,783)**	142,820
Total comprehensive income for the period	**53,193**	151,820
Attributable to:		
Equity shareholders of the Company	**55,543**	145,870
Non-controlling interests	**(2,350)**	5,950
Total comprehensive income for the period	**53,193**	151,820

The notes on pages 44 to 67 form part of the interim financial report.

Consolidated Statement of Financial Position

at 30 June 2026 – unaudited
(Expressed in Renminbi Yuan)

	Note	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	9	**1,559,752**	1,594,866
Investment property		**51,931**	52,525
Right-of-use assets		**251,989**	256,298
Intangible assets		**494,026**	498,395
Goodwill	10	**975,202**	1,030,155
Interests in associates		**39,698**	41,187
Financial assets measured at FVOCI	11	**172,571**	172,571
Financial assets measured at fair value through profit or loss ("FVPL")	12	**345,537**	241,984
Trade and other receivables	14	**37,677**	37,812
Deferred tax assets		**166,220**	165,479
		4,094,603	4,091,272
Current assets			
Inventories	13	**1,278,894**	1,477,632
Contract assets		**207,469**	206,879
Trade and other receivables	14	**2,674,005**	2,623,364
Income tax recoverable		**37,886**	40,083
Financial assets measured at FVPL	12	**371,494**	82,129
Restricted bank deposits	15	**10,313**	19,211
Cash and cash equivalents	15	**1,813,535**	876,390
		6,393,596	5,325,688
Current liabilities			
Trade and other payables	16	**2,402,065**	2,544,941
Contract liabilities	17	**399,654**	586,305
Bank loans and other borrowings	18	**2,152,682**	2,044,440
Lease liabilities		**17,261**	17,129
Income tax payable		**11,400**	14,603
		4,983,062	5,207,418
Net current assets		**1,410,534**	118,270
Total assets less current liabilities		**5,505,137**	4,209,542

Consolidated Statement of Financial Position
at 30 June 2026 – unaudited
(Expressed in Renminbi Yuan)

	Note	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Non-current liabilities			
Bank loans and other borrowings	18	**1,634,572**	1,680,011
Lease liabilities		**71,576**	72,457
Defined benefit plan obligations		**207,086**	219,605
Deferred income		**126,127**	100,573
Provisions		**34,769**	40,170
Deferred tax liabilities		**95,699**	75,577
Other non-current liabilities		**2,142**	2,271
		2,171,971	2,190,664
Net assets		**3,333,166**	2,018,878
Capital and reserves			
Share capital	19(b)	**967,798**	871,018
Reserves		**2,309,775**	1,090,315
Total equity attributable to equity shareholders of the Company		**3,277,573**	1,961,333
Non-controlling interests		**55,593**	57,545
Total equity		**3,333,166**	2,018,878

The notes on pages 44 to 67 form part of the interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi Yuan)

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	PRC statutory reserves RMB'000	Share-based payment reserve RMB'000	Other reserve RMB'000	(Accumulated losses)/ retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025		869,531	(60,091)	945,321	77,599	63,718	27,271	(134,817)	1,788,532	104,170	1,892,702
Changes in equity for the six months ended 30 June 2025:											
Profit for the period		–	–	–	–	–	–	3,050	3,050	5,950	9,000
Other comprehensive income		–	–	–	–	–	142,820	–	142,820	–	142,820
Total comprehensive income		–	–	–	–	–	142,820	3,050	145,870	5,950	151,820
Equity-settled share-based transactions		–	–	–	–	5,226	–	–	5,226	–	5,226
Cancellation of shares	19(c)	(2,513)	60,091	(57,578)	–	–	–	–	–	–	–
Disposal of subsidiaries		–	–	–	–	–	–	–	–	(62,631)	(62,631)
Appropriation of dividends to non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	(3,360)	(3,360)
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	450	450
Balance at 30 June 2025 and 1 July 2025		867,018	–	887,743	77,599	68,944	170,091	(131,767)	1,939,628	44,579	1,984,207
Changes in equity for the six months ended 31 December 2025:											
Profit for the period		–	–	–	–	–	–	38,291	38,291	(5,606)	32,685
Other comprehensive income		–	–	–	–	–	(35,033)	–	(35,033)	–	(35,033)
Total comprehensive income		–	–	–	–	–	(35,033)	38,291	3,258	(5,606)	(2,348)
Equity-settled share-based transactions		4,000	(41,080)	37,080	–	18,447	–	–	18,447	–	18,447
Disposal of subsidiaries		–	–	–	–	–	–	–	–	(8,928)	(8,928)
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	–	–	–	–	27,500	27,500
Balance at 31 December 2025		871,018	(41,080)	924,823	77,599	87,391	135,058	(93,476)	1,961,333	57,545	2,018,878

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026 – unaudited

(Expressed in Renminbi Yuan)

		Attributable to equity shareholders of the Company									
	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	PRC statutory reserves RMB'000	Share-based payment reserve RMB'000	Other reserve RMB'000	(Accumulated losses)/ retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2026		871,018	(41,080)	924,823	77,599	87,391	135,058	(93,476)	1,961,333	57,545	2,018,878
Changes in equity for 2026:											
Profit for the period		–	–	–	–	–	–	161,326	161,326	(2,350)	158,976
Other comprehensive income		–	–	–	–	–	(105,783)	–	(105,783)	–	(105,783)
Total comprehensive income		–	–	–	–	–	(105,783)	161,326	55,543	(2,350)	53,193
Equity-settled share-based transactions		–	–	–	–	12,090	–	–	12,090	–	12,090
Issue of ordinary shares	19(b)	96,780	–	1,151,326	–	–	–	–	1,248,106	–	1,248,106
Capital contribution from non-controlling shareholders of subsidiaries		–	–	501	–	–	–	–	501	398	899
Balance at 30 June 2026		967,798	(41,080)	2,076,650	77,599	99,481	29,275	67,850	3,277,573	55,593	3,333,166

The notes on pages 44 to 67 form part of the interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Operating activities			
Cash generated from/(used in) operations		**61,659**	(104,169)
Income tax paid		**(21,399)**	(15,312)
Net cash generated from/(used in) operating activities		**40,260**	(119,481)
Investing activities			
Payment for purchase of property, plant and equipment, intangible assets and right-of-use assets		**(62,070)**	(138,710)
Payment for development costs		**(30,821)**	(23,801)
Proceeds from disposal of property, plant and equipment		**1,359**	1,130
Net proceeds from disposal of interests in subsidiaries		**31,780**	25,057
Net proceeds from disposal of interests in associates		**730**	10,940
Payment for acquisition of interests in associates		**(1,200)**	–
Payment for purchase of financial assets measured at FVOCI		**–**	(6,500)
Payment for purchase of wealth management products		**(584,447)**	(1,288,980)
Proceeds from redemption of wealth management products		**291,000**	1,311,298
Interest received		**5,157**	6,762
Dividends received from financial assets measured at FVPL		**–**	5,428
Dividends received from associates		**–**	420
Net cash used in investing activities		**(348,512)**	(96,956)
Financing activities			
Proceeds from bank loans		**1,230,013**	1,872,458
Repayment of bank loans		**(1,172,500)**	(1,442,534)
Interest paid for bank loans		**(48,899)**	(62,249)
Payment for capital element of lease liabilities		**(12,628)**	(8,542)
Payment for interest element of lease liabilities		**(2,210)**	(2,889)
Contribution from non-controlling shareholders of subsidiaries		**1,000**	450
Proceeds from issuance of ordinary shares through initial public offering, net of issuance costs		**1,271,251**	–
Payment for repurchase of restricted shares units		**(1,027)**	–
Payment for purchase of non-controlling interests in subsidiaries		**(100)**	–
Net cash generated from financing activities		**1,264,900**	356,694
Net increase in cash and cash equivalents		**956,648**	140,257
Cash and cash equivalents at the beginning of the period		**876,390**	1,181,104
Effect of foreign exchange rate changes		**(19,503)**	36,371
Cash and cash equivalents at the end of the period	15	**1,813,535**	1,357,732

The notes on pages 44 to 67 form part of the interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi Yuan unless otherwise indicated)

1 GENERAL INFORMATION

ESTUN AUTOMATION CO., LTD (the "Company") was established in Nanjing, Jiangsu Province, the People's Republic of China (the "PRC") on 26 February 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 5 July 2011. The Company's A shares have been listed on the Shenzhen Stock Exchange under the stock code 002747 since 20 March 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 9 March 2026.

The principal activities of the Company and its subsidiaries (together referred to as the "Group") are the manufacturing and sale of industrial robots, intelligent manufacturing systems, core automation components and motion control systems.

2 BASIS OF PREPARATION

This interim financial report 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 International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 21 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 3.

The preparation of an interim financial report in conformity with IAS 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 the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited but has been reviewed by the Company's Audit Committee.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

(i) Disaggregation of revenue

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Industrial robots and intelligent manufacturing systems	**2,136,885**	2,090,493
– Core automation components and motion control systems	**437,504**	456,419
Revenue from other sources		
– Rental income from operating leases	**3,118**	1,665
	2,577,507	2,548,577

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Over time	**299,222**	292,961
Point in time	**2,275,167**	2,253,951
	2,574,389	2,546,912

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 4(b).

The Group's customer base is diversified and includes one customer with whom transactions have exceeded 10% of the Group's revenues for the six months ended 30 June 2026 (six months ended 30 June 2025: two). During the six months ended 30 June 2026, revenues from sales of products to the customer, including sales to entities which are known to the Group to be under common control with this customer, amounted to approximately RMB285,700,000.

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

(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 assesses 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 geographic location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, investment property and right-of-use assets, the location of the operation 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.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue by geographical region		
Overseas	**936,494**	748,807
Chinese Mainland	**1,641,013**	1,799,770
	2,577,507	2,548,577

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Geographical information (continued)

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Specified non-current assets		
Overseas	**1,626,996**	1,715,336
Chinese Mainland	**1,745,602**	1,758,090
	3,372,598	3,473,426

5 OTHER NET INCOME

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest income from bank deposits	**4,267**	6,549
Government grants *(Note)*	**7,333**	12,269
Value-added tax super deduction and refund	**27,088**	15,912
Realised and unrealised (losses)/gains on wealth management products	**(3,192)**	8,630
Realised and unrealised gains on other financial assets measured at FVPL	**103,552**	12,878
Net losses on disposal of property, plant and equipment	**(507)**	(1,359)
Net (losses)/gains on disposal of interests in associates	**(437)**	976
Net losses on disposal of subsidiaries	**–**	(3,765)
Net foreign exchange losses	**(11,501)**	(4,604)
Others	**3,580**	(2,993)
	130,183	44,493

Note: Government grants mainly represent operating subsidies and amortisation of government grants for capital expenditure including development and construction of property, plant and equipment.

6 PROFIT BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on bank loans and other borrowings	**60,383**	77,489
Interest on lease liabilities	**2,210**	2,889
Interest on defined benefit plans	**4,594**	3,460
	67,187	83,838

(b) Staff costs

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Contributions to defined contribution retirement plans	**41,517**	40,788
Expenses recognised in respect of defined benefit plans	**5,552**	4,549
Equity-settled share-based payment expenses	**12,090**	5,226
Salaries, wages and other benefits	**560,528**	590,363
	619,687	640,926

6 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Amortisation cost		
– intangible assets	**32,423**	31,526
– long-term deferred expenses	**3,620**	2,922
	36,043	34,448
Depreciation charge		
– property, plant and equipment	**52,886**	52,294
– right-of-use assets	**13,590**	12,973
– investment property	**593**	–
	67,069	65,267
Impairment loss on financial assets		
– trade receivables and contract assets	**27,561**	202
– other receivables	**(162)**	(221)
	27,399	(19)
Research and development expenses (i)	**219,365**	213,713
Cost of inventories (ii)	**1,776,761**	1,836,834

Notes:

(i) Research and development expenses include staff costs, depreciation and amortisation expenses, respectively, which amounts are included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) 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 6(b) for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
Provision for the period	**20,348**	7,270
Under provision in respect of prior year	**46**	–
Deferred tax:		
Origination and reversal of temporary differences	**16,939**	11,119
	37,333	18,389

Notes:

(i) According to the Corporate Income Tax Law of China, the Group's subsidiaries in Chinese Mainland are subject to a statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to advanced and new technology enterprises 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 for the six months ended 30 June 2026 and 2025 (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 27.91% at an average for the six months ended 30 June 2026 and 2025 (15.00% for corporate income tax, 0.825% for solidarity surcharge and 12.08% for trade income tax).

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

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB161,326,000 (six months ended 30 June 2025: RMB3,050,000) and the weighted average number of ordinary shares of 915,408,000 shares (six months ended 30 June 2025: 867,018,000 shares) in issue during the interim period, calculated as follows:

Weighted average number of ordinary shares:

	Six months ended 30 June	
	2026	2025
	'000	'000
	(unaudited)	(unaudited)
Issued ordinary shares at the beginning of the period	**871,018**	869,531
Effect of treasury shares *(Note 19(c))*	**(4,000)**	(2,513)
Effect of shares issued *(Note 19(b))*	**48,390**	–
Weighted average number of ordinary shares at the end of the period	**915,408**	867,018

8 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

For the six months ended 30 June 2026, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB161,326,000 and the weighted average number of ordinary shares of 916,674,000 shares, calculated as follows:

	Six months ended 30 June	
	2026	2025
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares at the end of the period	**915,408**	867,018
Effect of deemed issue of shares under the Company's share reward schemes	**1,116**	–
Effect of deemed issue of shares under the Company's share option scheme	**150**	–
Weighted average number of ordinary shares (diluted) at the end of the period	**916,674**	867,018

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB45,337,000 (six months ended 30 June 2025: RMB120,104,000). Items of property, plant and equipment with a net book value of RMB1,866,000 (six months ended 30 June 2025: RMB3,963,000) were disposed during the six months ended 30 June 2026, resulting in net losses on disposal of RMB507,000 (six months ended 30 June 2025: RMB1,359,000). Items of property, plant and equipment with a net book value of nil (six months ended 30 June 2025: RMB29,686,000) were disposed due to the disposal of subsidiaries by the Group during the six months ended 30 June 2026.

The Group was in the process of applying for the ownership certificates for certain buildings with an aggregate carrying value of RMB188,320,000 as at 30 June 2026 (31 December 2025: RMB236,391,000). The directors of the Company are of the opinion that the Group is entitled to legally and validly occupy and use of these buildings.

10 GOODWILL

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Cost	**1,268,788**	1,337,691
Accumulated impairment loss	**(293,586)**	(307,536)
	975,202	1,030,155

The Group did not perform quantitative impairment test for above goodwill as at 30 June 2026, since the Group's accounting policy is to perform impairment test annually at 31 December, or more frequently if events or changes in circumstances indicate that they might be impaired in accordance with IAS 36, Impairment of assets. The Group did not identify any indication that the goodwill would be impaired as at 30 June 2026.

11 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Investment in unlisted equity securities	**172,571**	172,571

12 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Financial assets measured at FVPL		
Non-current assets		
Investments not held for trading:		
– Listed equity securities	**148,159**	–
– Unlisted equity securities	**135,140**	179,586
– Unlisted units in investment funds	**62,238**	62,398
	345,537	241,984
Current assets		
– Wealth management products	**371,494**	82,129

13 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Raw materials	**406,896**	418,130
Work in progress	**316,877**	389,416
Finished goods	**372,134**	398,495
Goods in transit	**549**	5,370
Goods delivered to customers	**56,963**	52,558
	1,153,419	1,263,969
Contract costs	**240,636**	339,744
Write-down of inventories	**(115,161)**	(126,081)
	1,278,894	1,477,632

(b) The analysis of the amount of inventories as an expense and recognised included in profit or loss is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Carrying amount of inventories sold	**1,764,086**	1,846,914
Write-down/(reversal) of inventories	**12,675**	(10,080)
	1,776,761	1,836,834

14 TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Current assets		
Trade receivables		
– Third parties	**2,260,633**	1,953,551
– Related parties	**94,364**	83,149
Bills receivable	**26,611**	26,631
Less: loss allowance	**(154,375)**	(131,188)
Net trade and bill receivables measured at amortised cost	**2,227,233**	1,932,143
Bills receivable, measured at FVOCI	**249,125**	453,991
Amounts due from related parties	**1,979**	1,825
Value-added tax recoverable	**43,544**	47,138
Prepayments	**65,304**	45,774
Listing expenses to be capitalised	**–**	23,145
Receivables arising from disposal of interests in subsidiaries and associates	**40,828**	74,278
Other receivables	**45,992**	45,070
	2,674,005	2,623,364
Non-current assets		
Receivables arising from disposal of interests in an associate	**26,880**	24,480
Long-term deferred expenses	**1,980**	3,885
Prepayments for purchase of property, plant and equipment and intangible assets	**8,817**	9,447
	37,677	37,812

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

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing analysis:

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

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Within 1 year	**1,955,277**	2,194,725
More than 1 year but within 2 years	**269,490**	173,214
More than 2 years but within 3 years	**90,573**	113,818
More than 3 years	**66,268**	35,565
Less: loss allowance	**(154,375)**	(131,188)
	2,227,233	2,386,134

15 CASH AND CASH EQUIVALENTS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Cash at bank	**1,823,848**	895,601
Less: restricted bank deposits *(Note)*	**(10,313)**	(19,211)
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	**1,813,535**	876,390

Note: Restricted bank deposits were mainly pledged to secure issuance of letters of credit and letters of guarantee related to our business operations.

16 TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Trade payables	**1,637,414**	1,730,341
Bills payable	**368,077**	404,797
Accrued payrolls	**89,222**	86,554
Payables for property, plant and equipment	**90,092**	96,511
Other tax payables	**44,179**	50,145
Other payables and accruals	**173,081**	176,593
	2,402,065	2,544,941

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 trade payables and bills payable based on the invoice date, is as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Within 1 year	**1,971,894**	2,061,550
Over 1 year but within 2 years	**20,771**	64,044
Over 2 years but within 3 years	**8,475**	7,320
Over 3 years	**4,351**	2,224
	2,005,491	2,135,138

17 CONTRACT LIABILITIES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Prepayments received from customers	**399,654**	586,305

17 CONTRACT LIABILITIES (CONTINUED)

Movements in contract liabilities

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Balance at the beginning of the period/year	**586,305**	505,014
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 period/year	**(542,065)**	(497,598)
Increase in contract liabilities as a result of receiving advance payments during the period/year	**355,414**	578,889
Balance at the end of the period/year	**399,654**	586,305

18 BANK LOANS AND OTHER BORROWINGS

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

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Current liabilities:		
– Short-term bank loans	**972,881**	946,073
– Current portion of long-term bank loans	**1,179,801**	1,098,367
	2,152,682	2,044,440
Non-current liabilities		
– Non-current portion of long-term bank loans	**1,158,063**	1,215,952
– Redemption liabilities *(Note)*	**476,509**	464,059
	1,634,572	1,680,011

Note: On 28 December 2023 and 19 April 2024, the Company's subsidiary 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 30 September 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.

18 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

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

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Within 1 year or on demand	**2,152,682**	2,044,440
After 1 year but within 2 years	**1,215,573**	1,350,165
After 2 years but within 5 years	**418,999**	329,846
	1,634,572	1,680,011
	3,787,254	3,724,451

The bank loans and other borrowings were secured by certain assets of the Group. An analysis of the carrying value of these assets is as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Property, plant and equipment	**135,389**	142,317
Trade receivables	**39,837**	22,575
Inventories	**170,471**	280,483

19 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends were declared during the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

(b) Share capital

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Ordinary shares of RMB1 each, issued and fully paid:		
At the beginning of the period	**871,018**	869,531
Issue of ordinary shares (i)	**96,780**	–
Cancellation of shares (ii)	**–**	(2,513)
At the end of the period	**967,798**	867,018

Notes:

(i) On 9 March 2026, the Company issued 96,780,000 ordinary shares at an offer price of HK$15.36 per share through the initial public offering (the "Offering"). Net proceeds from the Offering amounted to RMB1,248,106,000 equivalent, after deducting all capitalised listing expenses. Out of the net proceeds, RMB96,780,000 and RMB1,151,326,000 were credited to the Company's share capital and share premium account, respectively.

(ii) As approved by the resolution of shareholders on 15 January 2025, the Company decided to cancel the remaining 2,513,000 repurchased shares for the purpose of equity-settled share-based transactions. Such cancellation was completed on 6 March 2025.

(c) Treasury shares

	No. of Treasury Shares '000	**Treasury shares RMB'000**
At 1 January 2025	2,513	(60,091)
Cancellation of shares *(Note 19(b))*	(2,513)	60,091
Issue of restricted shares	4,000	(41,080)
At 31 December 2025, 1 January 2026 and 30 June 2026 (unaudited)	**4,000**	**(41,080)**

The treasury shares are used for restricted share incentive plans or equity excitation.

19 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Equity-settled share-based transaction

(i) Share options

The Company adopted an employee share option scheme on 8 July 2025, pursuant to which, the Company granted 3,320,000 share options to employees at an exercise price of RMB20.53 per share. Share options will be vested in three batches in a 36-month period subject to fulfilment of the performance of the Company and the individuals.

The fair value of services received in return for share options granted is measured by reference to the fair value of such equity instruments on the grant date, of which the estimation is measured based on the Black-Scholes model.

No options were exercised during the six months ended 30 June 2026 (2025: nil).

(ii) Restricted share units

The Company adopted an employee restricted share units scheme on 8 July 2025, pursuant to which, the Company granted 4,000,000 restricted share units ("RSUs") to employees at a price of RMB10.27 per share. Restricted share units will be vested in three batches in a 36-month period subject to fulfilment of the performance of the Company and the individuals.

The fair value of services received in return for RSUs granted is measured based on the closing price of the Company's A shares on the grant date.

(iii) 2022 Employee Share Purchase Plan

On 25 August 2022, the Company adopted 2022 ESPP, pursuant to which, the Company has set up a special securities account under China Securities Depository and Clearing Corporation Limited and transferred 6,727,400 ordinary shares to the account. Qualified employees under 2022 ESPP purchased the shares at a price of RMB1.00 per share. Each share unit will be vested in two batches in a 56-month period subject to fulfilment of the performance of the Company and the individuals.

20 FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

20 FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets measured at fair value (continued)

(i) Fair value hierarchy (continued)

Analysis on fair value measurement of financial instruments are as follows:

	As at 30 June 2026			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
Fair value measured on a recurring basis				
Financial assets measured at FVPL				
– Wealth management products	**–**	**371,494**	**–**	**371,494**
– Listed equity securities	**–**	**148,159**	**–**	**148,159**
– Unlisted equity securities	**–**	**17,542**	**117,598**	**135,140**
– Unlisted units in investment funds	**–**	**–**	**62,238**	**62,238**
Financial assets measured at FVOCI				
– Bills receivable	**–**	**249,125**	**–**	**249,125**
– Unlisted equity securities	**–**	**21,860**	**150,711**	**172,571**

	As at 31 December 2025			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Fair value measured on a recurring basis				
Financial assets measured at FVPL				
– Wealth management products	–	82,129	–	82,129
– Unlisted equity securities	–	13,155	166,431	179,586
– Unlisted units in investment funds	–	–	62,398	62,398
Financial assets measured at FVOCI				
– Bills receivable	–	453,991	–	453,991
– Unlisted equity securities	–	21,860	150,711	172,571

During the six months ended 30 June 2026, there were transfers of amount of RMB49,191,000 from Level 3 to Level 2 of the fair value hierarchy due to the unlisted equity securities formerly held by the Company were converted into listed equity securities (six months ended 30 June 2025: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(Expressed in Renminbi Yuan unless otherwise indicated)

20 FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets measured at fair value (continued)

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of the bills receivable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

The fair value of certain unlisted equity securities and unlisted units in investment funds is determined using comparable transactions adjusted approach or market approach adjusted for changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies.

(iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted equity securities	Comparable transactions adjusted approach/market approach	Changing trend of medium market multiples of comparable companies/medium market multiples of comparable companies
Unlisted units in investment funds	Net asset value	Net asset value of underlying investments

The fair value of certain unlisted equity securities is determined using comparable transactions adjusted approach or market approach adjusted for changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiples of comparable companies or medium market multiples of comparable companies. As at 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in change of medium market multiples of comparable companies or medium market multiples of comparable companies by 5% would have increased/decreased the Group's profit for the period by RMB4,998,000 (2025: RMB7,080,000) and increased/decreased the Group's other comprehensive income for the period/year by RMB5,980,000 (2025: RMB6,428,000).

The fair value of unlisted units in investment funds is determined referencing net asset value of underlying investments. The fair value measurement is positively correlated to net asset value of underlying investments. As at 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in net asset value of underlying investments by 5% would have increased/decreased the Group's profit for the period/year by RMB2,645,000 (2025: RMB2,616,000).

20 FAIR VALUES MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets measured at fair value (continued)

(iii) Information about Level 3 fair value measurements (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	Financial assets measured at FVOCI RMB'000	**Financial assets measured at FVPL RMB'000**	**Total RMB'000**
At 1 January 2026	**150,711**	**228,829**	**379,540**
Net unrealised gains during the period	**–**	**198**	**198**
Transfers	**–**	**(49,191)**	**(49,191)**
At 30 June 2026 (unaudited)	**150,711**	**179,836**	**330,547**

	Financial assets measured at FVOCI RMB'000	Financial assets measured at FVPL RMB'000	Total RMB'000
At 1 January 2025	160,303	200,577	360,880
Net unrealised (losses)/gains during the period	(15,547)	12,878	(2,669)
Additions	6,500	–	6,500
Disposals	–	(5,428)	(5,428)
At 30 June 2025 (unaudited)	151,256	208,027	359,283

(b) Fair value of financial assets and liabilities carried at other than fair value

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

21 COMMITMENTS

Commitments outstanding at 30 June 2026 not provided for in the interim financial report

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Contracted for acquisition of property, plant and equipment, intangible assets and other long-term assets	**95,311**	145,220

22 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term employee benefit	**5,294**	4,345
Share-based payment	**747**	476
Contributions to defined contribution retirement plans	**287**	228
	6,328	5,049

(b) Other significant related party transactions

For the six months ended 30 June 2026 and 2025, the Group had following material transactions with related parties:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Purchase of goods		
– Associates	**3,974**	1,865
– Fellow subsidiaries	**10,629**	8,408
Sale of goods and rendering of services:		
– Associates	**54,130**	46,596
– Fellow subsidiaries	**770**	2,817
Rental income		
– Associates	**362**	–
– Fellow subsidiaries	**1,643**	1,568

22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant related party balances

As at 30 June 2026 and 31 December 2025, the Group had following material balances with related parties:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000
Trade related		
Trade receivables	**94,364**	83,149
Trade payables	**23,906**	19,586

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 4 August 2026, the Company's subsidiaries Nanjing Estun Robot Engineering Co., Ltd. and Nanjing Dingtong Electromechanical Automation Co., Ltd. entered into a share purchase agreement with the shareholders of Nanjing Estun Codroid Technology Co., Ltd. ("Estun Codroid", a related party of the Group). Upon completion of the transaction, Estun Codroid would become a wholly-owned subsidiary of the Group. The transaction was approved by the board of directors on 4 August 2026 and subject to the further approval of the meeting of shareholders of the Company.

As approved by the board of directors on 11 August 2026, the Company decided to cancel 322,300 restricted shares for the purpose of equity-settled share-based transactions. Such cancellation is subject to the further approval of the meeting of shareholders of the Company.

On 30 June 2026, the Company's subsidiary Nanjing Dingtong Electromechanical Automation Co., Ltd. entered into a share repurchase agreement with Nanjing Jianruijie Software Development Co., Ltd ("Jianruijie", an associate of the Group) and Jianruijie will repurchase the 6.5% equity interests held by the Company with a cash consideration of RMB6.4 million. Upon completion of the transaction, the Group would no longer hold any equity interests in Jianruijie. As at the date of this report, the transaction was not completed yet.

24 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of IFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

24 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONTINUED)

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of IFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of IFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. Based on the work performed to date, the Group's assessment on the expected impact of the initial application of IFRS 18 is summarised below. The assessment remains subject to change as the Group continues its implementation work.

(a) Structure of the statement of profit or loss

IFRS 18 requires entities to classify income and expenses into specified categories in the statement of profit or loss, including operating, investing, and financing categories. It also requires entities to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and income taxes". The operating profit subtotal is expected to differ from the current profit from operations subtotal presented by the Group. Based on the work performed to date, the Group also expects the following changes to the consolidated statement of profit or loss:

- Dividend and interest income, which are currently presented in the Group's other income subtotal, as well as the share of profits less losses of associates and joint venture are expected to be classified in the investing category. The income and expenses classified in the investing category, together with the subtotal "operating profit", will form the new subtotal "profit or loss before financing and income taxes";

- The Group is assessing the classification of income and expenses as currently included in the finance cost line item and expects that this line item will be disaggregated into "income and expenses on liabilities arising solely from raising of finance" and "interest expenses on other liabilities" in the financing category;

- The Group is required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort; and

- The Group currently presents operating expenses by function. The Group is assessing whether its current presentation, or a mixed presentation by nature and function, will provide the most useful structured summary of its operating expenses under IFRS 18. If the Group continues to present one or more operating expense line item by function, information about five specific expenses by nature will be provided in a single note to the financial statements.

24 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONTINUED)

(b) Management-defined performance measures ("MPM")

MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. Based on the Group's current assessment, "EBITDA", which is defined as profit or loss before taxation adjusted by adding back (i) finance costs, and (ii) depreciation and amortisation, and deducting interest income from bank deposits, and "adjusted EBITDA", which 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, are identified as MPMs since they are currently being reported by the Group in its management commentary, press releases, and investor presentations. The Group is also developing a process to identify its public communications and assess whether other measures reported in those communications meet the definition of an MPM.

The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

(c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to Group information in the financial statements, including the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group has consistently applied the principles of aggregating and disaggregating the items on the basis of similar and dissimilar characteristics. The Group is also assessing line items currently labelled as "other" across the primary financial statements and the notes and expects to use more informative labels where material information would otherwise be obscured.

IFRS 18 also introduces consequential amendments to IAS 7, Statement of cash flows. The Group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method and the classification of interest and dividend cash flows.

The actual impact of applying IFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.

Definition

"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shenzhen Stock Exchange
"Articles" or "Articles of Association"	the articles of association of the Company (as amended from time to time)
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
"Company"	ESTUN AUTOMATION CO., LTD (南京埃斯頓自動化股份有限公司) (formerly known as Nanjing Estun Digital Technology Co., Ltd. (南京埃斯頓數字技術有限公司)), a limited liability company incorporated in the PRC on February 26, 2002 and was converted into a joint stock company with limited liability on July 5, 2011, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002747.SZ)
"China" or the "PRC"	the People's Republic of China, but for the purpose of this report and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong and the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Dingtong Electromechanical"	Nanjing Dingtong Electromechanical Automation Co., Ltd. (南京鼎通機電自動化有限公司), a wholly-owned subsidiary of the Company
"Director(s)"	the director(s) of the Company
"Estun Robot"	Nanjing Estun Robot Engineering Co., Ltd. (南京埃斯頓機器人工程有限公司), a wholly-owned subsidiary of the Company
"ESG Committee"	the environmental, social and governance committee of the Board
"Five Highest Paid Individuals"	the five highest paid individuals of the Company for the six months ended June 30, 2026
"Group", "our Group", "we", "our" or "us"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong SAR
"Hong Kong SAR"	the Hong Kong Special Administrative Region of the PRC

"Incentive Schemes"	the 2025 Employee Incentive Schemes and the 2022 A-share Employee Share Ownership Plan
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on March 9, 2026
"Listing Date"	the date, namely March 9, 2026, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nanjing Primest"	Nanjing Primest Technology Co., Ltd. (南京派雷斯特科技有限公司), one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus of the Company published on February 27, 2026
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	the six-month period from January 1, 2026 to June 30, 2026
"Restricted Shares"	the restricted shares under the 2025 Restricted Share Scheme of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shareholder(s)"	holder(s) of Shares
"Share(s)"	ordinary shares in the share capital of the Company with per value of RMB1.00 each, comprising A Shares and H Shares
"Share Options"	the share options under the 2025 Share Option Scheme of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Committee"	the strategic committee of the Board

"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"2022 A-share Employee Share Ownership Plan"	the A-share Employee Share Ownership Plan adopted by the Company in 2022
"2025 Share Option Scheme"	the A Share option scheme adopted by the Company pursuant to resolutions passed by our Shareholders on June 20, 2025, the principal terms of which are set out in "Statutory and General Information — Employee Incentive Schemes" in Appendix VI to the Prospectus
"2025 Restricted Share Scheme"	the A Share restricted share scheme adopted by the Company pursuant to resolutions passed by our Shareholders on June 20, 2025, the principal terms of which are set out in "Statutory and General Information — Employee Incentive Schemes" in Appendix VI to the Prospectus
"2025 Employee Incentive Schemes"	the 2025 Restricted Share Scheme and the 2025 Share Option Scheme
"%"	Per cent