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**robosense**

**ROBOSENSE TECHNOLOGY CO., LTD**

**速騰聚創科技有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2498)**

**(1) ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2023;  
(2) CHANGE OF CHIEF EXECUTIVE OFFICER AND  
SENIOR MANAGEMENT MEMBERS; AND  
(3) ESTABLISHMENT OF ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE COMMITTEE**

**(1) ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED  
DECEMBER 31, 2023**

The Board is pleased to announce the audited consolidated financial results of the Group for the year ended December 31, 2023, together with the comparative figures for the year ended December 31, 2022.

**KEY FINANCIAL HIGHLIGHTS**

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(RMB in thousands)</i>	
Revenue	<b>1,120,149</b>	530,322
Gross profit/(loss)	<b>93,640</b>	(39,295)
Operating loss	<b>(940,582)</b>	(616,106)
Net loss	<b>(4,330,966)</b>	(2,086,113)
(Loss)/profit attributable to:		
Owners of the Company	<b>(4,336,629)</b>	(2,088,652)
Non-controlling interests	<b>5,663</b>	2,539
	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(RMB in thousands)</i>	
Total assets	<b><u>3,271,453</u></b>	<u>3,427,434</u>
Total liabilities	<b><u>12,341,292</u></b>	<u>8,464,692</u>
Total deficits	<b><u>(9,069,839)</u></b>	<u>(5,037,258)</u>

# **BUSINESS REVIEW AND OUTLOOK**

## **Overview**

We are a global leader in the LiDAR and perception solutions market. By integrating hardware and software, we have differentiated ourselves from most LiDAR companies in the market who only focus on hardware. Combined with visual or other sensors, LiDAR forms perception solutions that endow automobiles and robots with perception capabilities. We develop our solutions based on chip-driven LiDAR hardware and AI perception software, expanding application scenarios and realizing large-scale commercialization in the industry. Our business primarily comprises (i) sales of LiDAR hardware products for application in the ADAS, robotics and other non-automotive industries such as cleaning, logistics, industrial, public services and inspection, among others, (ii) sales of LiDAR perception solutions integrating our LiDAR hardware and AI perception software, and (iii) the provision of technology development and other services.

On January 9, 2024, at CES 2024, the Company unveiled its latest long-range LiDAR product, the M3, to the world. Targeted at the pre-production of L3+ autonomous driving systems, the M3 is built on the Company's mature 2D scanning technology from the M platform. It is the first ultra-long-range LiDAR to achieve a 300m@10% detection capability using a 940nm laser transmission and reception scheme, breaking the industry's technical barrier that "only 1550nm can achieve more than 250m@10% detection." The M3 also boasts exceptional detection capabilities for small objects. With its best angular resolution of  $0.05^{\circ} \times 0.05^{\circ}$  combined with the 300m@10% detection range, it can identify scattered obstacles at a greater distance in advance, thereby helping intelligent vehicles to maneuver and avoid collisions in a timely manner. Moreover, compared to traditional ultra-long-range LiDARs that use 1550nm laser technology, the M3 is smaller in size, more cost-effective, and has lower power consumption, making high-level intelligent driving systems more affordable and easier to integrate into vehicle designs. With its highly mature platform technology, powerful performance, and ultimate cost-performance ratio, the M3 will provide a solid guarantee for customers to implement L3 to L4 level high-grade intelligent assisted driving systems in pre-production mass production applications, contributing to the continuous advancement of the global intelligent automotive industry towards L3+ autonomous driving.

## **Our Customer-Centric Technology and Product Approach**

We led the era of mass production for automotive-grade solid-state LiDAR by delivering M1, our flagship LiDAR product back in June 2021. Since then, we have launched three LiDAR platforms utilizing our LiDAR hardware and LiDAR-on-chip technologies: the M Platform, the E Platform and the R Platform. In addition, we are in the process of designing and developing the F Platform, our next-generation LiDAR platform.

As of December 31, 2023, we had earned design wins for mass production of LiDAR products for 63 vehicle models with 22 automotive OEMs and Tier 1 suppliers, and achieved SOP for 24 vehicle models with 12 customers. We had established cooperation with more than 270 automotive OEMs and Tier 1 suppliers globally as of December 31, 2023. In 2023, our revenue generated from sales of our LiDAR products for ADAS applications increased to RMB777.1 million from RMB160.4 million in 2022, representing a significant year-on-year growth of 384.6%.

We have also widely extended our application use cases beyond the automotive industry, such as agricultural robots, inspection robots, V2X solutions and reference solutions. As of December 31, 2023, we had served approximately 2,400 customers in the robotics and other non-automotive industries. In 2023, our revenue generated from sales of our LiDAR products for robotics and other industries decreased to RMB186.5 million from RMB239.1 million in 2022, representing a year-on-year reduction of 22.0%. Our revenue generated from solutions decreased to RMB110.1 million in 2023 from RMB122.3 million in 2022, representing a year-on-year reduction of 10.0%. In 2023, our revenue generated from services and others increased to RMB46.5 million from RMB8.7 million in 2022, representing a significant year-on-year growth of 437.7%.

## **Our Technology and Product Development**

Innovation is core to our corporate culture. We have invested significant resources into the R&D of our LiDAR technologies. Our LiDAR products and solutions empowered by this proprietary technology are widely recognized by customers for their superior performance and cost advantages. Our full-stack, hardware and software integrated perception capabilities also provide us with greater commercialization opportunities than companies who exclusively offer LiDAR hardware products.

We have established three R&D centers in China, located in Shenzhen, Shanghai and Suzhou. Led by Dr. Qiu Chunxin (our co-founder, chairman of the Board, executive Director and chief scientist) and Mr. Liu Letian (our co-founder, executive Director and chief technology officer), our R&D teams are strategically placed in locations that are close to the best talent and to our business partners. The R&D team also collaborates with our operations and supply chain teams in order to continually optimize and improve manufacturing processes and assist with supply chain planning.

## **Our Mass Production Capabilities**

We have accumulated significant know-how in product verification, engineering and manufacturing, all of which are crucial to the success of large-scale mass production and delivery. We operate two in-house manufacturing centers in Shenzhen. We also invested in a manufacturing center through our associate, Luxsense, in Dongguan. We have established a high level of control throughout the entire production process from prototype to mass production. Utilizing our automated intelligent manufacturing and engineering facilities, we are able to achieve high product consistency and effective cost control.

## **Business Outlook**

While we were loss-making during the Reporting Period as we were still at a ramp-up stage, we had sustained significant improvement in our financial performance as we expand rapidly and aim at long-term business success and financial return in the fast-growing LiDAR solutions market.

Going forward, leveraging our competitive strengths, we will continue to implement our growth strategies, including our continued investment in our core technologies and refine our product offerings, strengthening our manufacturing and supply chain capabilities, strengthening and broadening our customer base, and attracting and retaining talent.

Since December 31, 2023 and up to the date of this announcement, there was no material adverse change in our financial or trading position or prospects and there was no event that would materially affect the information set out in our Group's consolidated financial statements in this announcement.

# MANAGEMENT DISCUSSION AND ANALYSIS

Year ended December 31, 2023 compared to Year ended December 31, 2022

The following table sets forth the comparative figures for the years ended December 31, 2022 and 2023:

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(RMB in thousands)</i>	
Revenue	<b>1,120,149</b>	530,322
Cost of sales	<b>(1,026,509)</b>	(569,617)
<b>Gross profit/(loss)</b>	<b>93,640</b>	(39,295)
Research and development expenses	<b>(635,112)</b>	(305,941)
Sales and marketing expenses	<b>(86,010)</b>	(67,381)
General and administrative expenses	<b>(345,943)</b>	(188,352)
Net impairment losses on financial assets	<b>(2,288)</b>	(2,502)
Other income	<b>45,427</b>	31,483
Other losses — net	<b>(10,296)</b>	(44,118)
<b>Operating loss</b>	<b>(940,582)</b>	(616,106)
Finance income — net	<b>78,086</b>	15,445
Share of net profit of an associate accounted for using the equity method	<b>4,457</b>	—
Fair value changes in financial instruments issued to investors	<b>(3,471,058)</b>	(1,484,649)
<b>Loss before income tax</b>	<b>(4,329,097)</b>	(2,085,310)
Income tax expenses	<b>(1,869)</b>	(803)
<b>Net loss</b>	<b>(4,330,966)</b>	(2,086,113)
<b>(Loss)/profit attributable to</b>		
Owners of the Company	<b>(4,336,629)</b>	(2,088,652)
Non-controlling interests	<b>5,663</b>	2,539

	<b>As of December 31,</b>	
	<b>2023</b>	2022
	<i>(RMB in thousands)</i>	
Total current assets	<b>2,826,689</b>	3,029,363
Total non-current assets	<b>444,764</b>	398,071
<b>Total assets</b>	<b><u>3,271,453</u></b>	<u>3,427,434</u>
Total current liabilities	<b>10,847,517</b>	7,594,095
Total non-current liabilities	<b>1,493,775</b>	870,597
<b>Total liabilities</b>	<b><u>12,341,292</u></b>	<u>8,464,692</u>
<b>Total deficits</b>	<b><u>(9,069,839)</u></b>	<u>(5,037,258)</u>
<b>Total deficits and liabilities</b>	<b><u>3,271,453</u></b>	<u>3,427,434</u>
<b>Revenue</b>		
	<b>Year ended December 31,</b>	
	<b>2023</b>	2022
	<i>(RMB in thousands)</i>	
Revenue from:		
<b>Products</b>		
For ADAS	<b>777,070</b>	160,355
For robotics and others	<b>186,473</b>	239,053
	<b><u>963,543</u></b>	<u>399,408</u>
<b>Solutions</b>	<b>110,074</b>	122,260
<b>Services and others</b>	<b>46,532</b>	8,654
<b>Total</b>	<b><u>1,120,149</u></b>	<u>530,322</u>

Our total revenue increased by 111.2% from RMB530.3 million for the year ended December 31, 2022 to RMB1,120.1 million for the year ended December 31, 2023. The increase was primarily due to the increased sales of products in 2023.

- Revenue from the sales of products increased by 141.2% from RMB399.4 million for the year ended December 31, 2022 to RMB963.5 million for the year ended December 31, 2023, primarily due to the increased sales of products for ADAS applications, such as our automotive-grade solid-state LiDAR. In 2023, our revenue generated from sales of our LiDAR products

for ADAS applications increased to RMB777.1 million from RMB160.4 million in 2022, representing a significant year-on-year growth of 384.6%. The total number of our LiDAR products sold increased from approximately 57,000 units in 2022 to approximately 259,600 units in 2023. The number of LiDAR products sold for ADAS applications significantly increased from approximately 36,900 units in 2022 to approximately 243,000 units in 2023. The revenue growth driven by the increase in sales volume of products for ADAS applications was partially offset by (i) the decrease in the average unit price of products for ADAS applications from approximately RMB4,300 per unit in 2022 to approximately RMB3,200 per unit in 2023, as we sold more mass-produced LiDARs, which were typically priced at a lower unit price than their respective prototypes, in 2023, and (ii) the decrease in revenue generated from sales of products for robotics and others from RMB239.1 million in 2022 to RMB186.5 million in 2023, representing a year-on-year reduction of 22.0%, primarily because we strategically focused on capturing the market opportunities in the ADAS market, and have halted the production of RS-LiDAR-16, which is a product for robotics and other applications, since December 2022.

- Revenue from the sales of solutions decreased by 10.0% from RMB122.3 million for the year ended December 31, 2022 to RMB110.1 million for the year ended December 31, 2023, primarily due to the decrease in sales of reference solutions and partially offset by the increase in sales of V2X solutions that are tailored for smart infrastructure applications.
- Revenue from the provision of services and others increased significantly by 437.7% from RMB8.7 million for the year ended December 31, 2022 to RMB46.5 million for the year ended December 31, 2023, primarily due to the completion and revenue recognition of eight projects in 2023.

## Cost of Sales

Our cost of sales increased by 80.2% from RMB569.6 million for the year ended December 31, 2022 to RMB1,026.5 million for the year ended December 31, 2023, primarily driven by the increase in sales of products in 2023.

## Gross Profit/(Loss) and Gross Margin

	<b>For the Year Ended December 31,</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Gross Profit/ (Loss)</b>	<b>Gross Margin</b>	<b>Gross Profit/ (Loss)</b>	<b>Gross Margin</b>
	<i>(RMB in thousands, except for percentages)</i>			
<b>Products</b>				
For ADAS	(45,835)	(5.9%)	(162,091)	(101.1%)
For robotic and others	82,585	44.3%	98,920	41.4%
<b>Solutions</b>	60,975	55.4%	67,123	54.9%
<b>Services and others</b>	(4,085)	(8.8%)	(43,247)	(499.7%)
<b>Total</b>	<u>93,640</u>	<u>8.4%</u>	<u>(39,295)</u>	<u>(7.4%)</u>

Our gross loss was RMB39.3 million for the year ended December 31, 2022 whilst we recorded a gross profit of RMB93.6 million for the year ended December 31, 2023. Accordingly, the gross margin improved significantly from a gross loss margin of 7.4% for the year ended December 31, 2022 to gross profit margin of 8.4% for the year ended December 31, 2023.

Our overall gross margin was largely affected by the changes in the sales contribution from different product categories. The increase in overall gross margin from gross loss margin of 7.4% for the year ended December 31, 2022 to gross profit margin of 8.4% for the year ended December 31, 2023 was mainly attributable to the significant gross margin improvement across two product categories, namely (i) LiDAR products for ADAS applications, and (ii) provision of services and others.

In particular, for our LiDAR products for ADAS applications, we recorded a gross loss of RMB162.1 million and RMB45.8 million for the years ended December 31, 2022 and 2023, respectively. The gross margin for this product category improved significantly from a gross loss margin of 101.1% for the year ended December 31, 2022 to 5.9% for the year ended December 31, 2023. The prices of semiconductor chips we procured in 2023 were significantly lower than those procured at heightened costs in 2022. In 2022, due to the semiconductor chips supply shortage issue, the prices of semiconductor chip we procured were higher, which also resulted in a significant inventory provision incurred in 2022. In addition, our gross margin improvement was also attributable to the economies of scales, as we scaled up our production volume for LiDAR products for ADAS applications in 2023.

For our sales of LiDAR products for robotics and others, we recorded a gross profit of RMB98.9 million and RMB82.6 million for the years ended December 31, 2022 and 2023, respectively. The gross profit margin for this product category improved from 41.4% for the year ended December 31, 2022 to 44.3% for the year ended December 31, 2023. This was primarily because we have halted the production of RS-LiDAR-16 since December 2022, which were of a lower gross margin.

For our provision of LiDAR perception solutions, we recorded a gross profit of RMB67.1 million and RMB61.0 million for the years ended December 31, 2022 and 2023, respectively. The gross profit margin for this product category increased slightly from 54.9% for the year ended December 31, 2022 to 55.4% for the year ended December 31, 2023.

For our provision of services, we recorded a gross loss of RMB43.2 million and RMB4.1 million for the years ended December 31, 2022 and 2023, respectively. The gross margin for this product category improved significantly from a gross loss margin of 499.7% for the year ended December 31, 2022 to 8.8% for the year ended December 31, 2023. This was primarily because we provided one-off technology development service to our certain key customers at favorable prices in 2022.

## **R&D Expenses**

Our R&D expenses increased significantly by 107.6% from RMB305.9 million for the year ended December 31, 2022 to RMB635.1 million for the year ended December 31, 2023. The increase was primarily due to (i) the higher employee benefit expenses, which were mainly attributable to (a) the increase in share-based compensation of RMB207.2 million, and (b) the increase in the number of R&D personnel from 482 as of December 31, 2022 to 563 as of December 31, 2023 and improved remuneration package for our R&D personnel; and (ii) the increased R&D equipment, resulting in higher depreciation and amortization expenses. We recruited additional R&D personnel specialized in the development of proprietary chips, who enjoyed better remuneration package. Our R&D expenses excluding share-based compensation as a percentage of revenue reduced from 57.7% in 2022 to 38.2% in 2023.

## **Sales and Marketing Expenses**

Our sales and marketing expenses increased by 27.6% from RMB67.4 million for the year ended December 31, 2022 to RMB86.0 million for the year ended December 31, 2023. The increase was primarily due to (i) the higher employee benefit expenses, which were mainly attributable to (a) the increase in share-based compensation of RMB4.4 million, and (b) improved remuneration package for our employees; and (ii) the increase in business development and promotion activities as the COVID-19 restrictions had been eased. Our sales and marketing expenses excluding share-based compensation as a percentage of revenue reduced from 12.7% in 2022 to 7.3% in 2023.

## **General and Administrative Expenses**

Our general and administrative expenses increased significantly by 83.7% from RMB188.4 million for the year ended December 31, 2022 to RMB345.9 million for the year ended December 31, 2023. The increase was primarily due to (i) the increase in share-based compensation of RMB130.3 million, resulting in the higher employee benefit expenses, and (ii) the listing expenses incurred in 2023. Our general and administrative expenses excluding share-based compensation and listing expenses as a percentage of revenue reduced from 28.2% in 2022 to 11.8% in 2023.

## **Net Impairment Losses on Financial Assets**

We recorded net impairment losses on financial assets of RMB2.3 million for the year ended December 31, 2023, which remained relatively stable as compared to that of RMB2.5 million for the year ended December 31, 2022.

## **Other Income**

Our other income increased by 44.3% from RMB31.5 million for the year ended December 31, 2022 to RMB45.4 million for the year ended December 31, 2023. The increase was primarily due to the increase in government grants.

## **Other Losses — Net**

Our other losses, which were primarily net foreign exchange losses, decreased by 76.7% from RMB44.1 million for the year ended December 31, 2022 to RMB10.3 million for the year ended December 31, 2023. The foreign exchange losses we incurred in 2022 and 2023 were related to an RMB-denominated intra-group borrowing by RoboSense HK to Shenzhen Suteng. The functional currency of RoboSense HK was U.S. dollars. The less appreciation of U.S. dollars to RMB exchange rate caused the net foreign exchange losses to decrease in 2023.

## **Finance Income — Net**

Net finance income increased by 405.6% from RMB15.4 million for the year ended December 31, 2022 to RMB78.1 million for the year ended December 31, 2023. The increase was primarily due to the increase in interest income from cash and cash equivalents.

## **Fair value changes in financial instruments issued to investors**

Our fair value changes of Preferred Shares were negative RMB3.5 billion in 2023, and negative RMB1.5 billion in 2022, primarily due to the increase in the valuation of the Company. See Note 14 to the consolidated financial statements set forth in this announcement for details regarding the fair value changes in financial instruments issued to investors. Upon Listing, all the Preferred Shares were automatically converted into ordinary shares and were reclassified from liabilities to equity accordingly.

## Net Loss

As a result of the foregoing, our net loss increased by 107.6% from RMB2,086.1 million for the year ended December 31, 2022 to RMB4,331.0 million for the year ended December 31, 2023.

## Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items, and provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net loss (non-IFRS measure) as net loss for the period adjusted by adding back share-based compensation, fair value changes in financial instruments issued to investors and listing expenses.

The following table reconciles our adjusted net loss (non-IFRS measure) for the periods presented with the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net loss for the period:

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(RMB in thousands)</i>	
<b>Reconciliation of net loss to adjusted net loss (non-IFRS measure):</b>		
Net loss	<b>(4,330,966)</b>	(2,086,113)
Add:		
— Share-based compensation <sup>(1)</sup>	<b>376,980</b>	35,086
— Fair value changes in financial instruments issued to investors <sup>(2)</sup>	<b>3,471,058</b>	1,484,649
— Listing expenses <sup>(3)</sup>	<b>48,695</b>	3,558
<b>Adjusted net loss (non-IFRS measure)</b>	<b><u>(434,233)</u></b>	<b><u>(562,820)</u></b>

### Notes:

- (1) Share-based compensation is non-cash in nature and mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Share-based compensation is not expected to result in future cash payments.

- (2) Fair value changes in financial instruments issued to investors represent the fair value changes of the Preferred Shares, warrants and convertible notes issued by us, which will convert into equity upon Listing.
- (3) Listing expenses are related to the Global Offering.

## **LIQUIDITY AND CAPITAL RESOURCES**

We monitor and maintain a level of liquidity deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2023, we had RMB1,835.5 million in cash and cash equivalents, restricted cash and time deposits, as compared to RMB2,156.5 million as of December 31, 2022. Our cash and cash equivalents primarily consist of cash at banks under RMB and USD denominations.

Our net operating cash outflow in 2023 was RMB516.5 million, representing a decrease from RMB523.1 million in 2022. Our net cash used in operating activities in 2023 is calculated by adjusting our loss before income tax of RMB4,329.1 million by non-cash and other items to arrive at an operating loss before changes in working capital of RMB423.9 million.

## **INDEBTEDNESS AND FINANCIAL RATIOS**

### **Borrowings**

As of December 31, 2023, we did not have any unutilized banking facilities.

### **Lease Liabilities**

As of December 31, 2023, we recognized total lease liabilities, including current and non-current lease liabilities, of RMB15.5 million, as compared to that of RMB30.5 million as of December 31, 2022, due to the fact that there was less new addition of lease liabilities in 2023, and the decrease in balance was primarily attributable to the annual amortization of the lease liabilities.

### **License Fees Payable**

Our license rights are recognized as intangible assets. The license fees payable is initially recorded at fair value of the date of the license agreement. As of December 31, 2023, we recognized total license fees payable of RMB22.6 million, including current and non-current license fees payable, as compared to RMB28.2 million as of December 31, 2022, due to the fact that there was no new addition of license fees payable in 2023, and the slight decrease in balance was solely attributable to the payment of the license fees payable.

### **Financial Instruments Issued to Investors and Deposits Paid by Investors**

As of December 31, 2023 and 2022, we recognized financial instruments issued to investors, including current and non-current, of RMB11,449.7 million and RMB6,996.0 million, respectively, primarily because we completed several rounds of financing by issuing shares with certain preferred rights upon capital contribution. Accordingly, we recognized the financial instruments with preferred rights as financial liabilities considering that all triggering events for the key redemption rights that could be exercised by the investors, are out of our control and these financial instruments

do not meet the definition of equity for our Company. We designated financial instruments issued to investors as financial liabilities at fair value through profit or loss and subsequently measured at fair value.

We did not record any deposits paid by investors as of December 31, 2023, while the deposits paid by investors in relation to series G-2 of the pre-IPO investments of our Company amounted to RMB850.3 million as of December 31, 2022.

### **Financial Ratios**

Our current ratio (calculated as current assets divided by current liabilities as of the same date) decreased to 26.1% as of December 31, 2023 from 39.9% as of December 31, 2022, mainly because financial instruments issued to investors increased as series G-2 completed in 2023.

Our gearing ratio (calculated as total liabilities divided by total assets as of the same date) increased to 377.2% as of December 31, 2023 from 247.0% as of December 31, 2022, mainly because financial instruments issued to investors increased as series G-2 completed in 2023.

### **CHARGE ON ASSETS**

As of December 31, 2023, there was no charge on assets of our Group (FY2022: nil).

### **CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS**

Our capital expenditures were primarily used for the construction of our manufacturing facilities. In 2023, our capital expenditures decreased to RMB134.0 million from RMB181.9 million in 2022. In these periods, our capital expenditures were primarily used for construction of our manufacturing facilities and supply chain.

Our capital commitments were primarily related to (i) property, plant and equipment and (ii) intangible assets. As of December 31, 2023, our Company had capital commitments of RMB7.2 million, of which RMB5.5 million were attributable to property, plant and equipment and RMB1.7 million were attributable to intangible assets. This represents a slight decrease from our capital commitments of RMB8.1 million as of December 31, 2022.

As disclosed in the Prospectus, we plan to use approximately 20% of the net proceeds raised from the Global Offering for enhancing our manufacturing, testing and verification capabilities and approximately 5% of the net proceeds for exploring potential strategic partnerships or alliance opportunities. For further details of our proposed use of proceeds from the Global Offering, see the section headed “Future Plans and Use of Proceeds” in the Prospectus. Save as disclosed in this announcement, the Group had no other material capital expenditure or investment plan as of the date of this announcement.

## **CONTINGENT LIABILITIES**

As of December 31, 2023, our Company did not have any material contingent liabilities.

## **SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Save as disclosed in this announcement, our Company had no other significant investments and/or material acquisition or disposal of subsidiaries, associates and joint venture during the year ended December 31, 2023.

## **HUMAN RESOURCES**

As of December 31, 2023, we had a total of 1,324 employees and almost all of our employees were based in Mainland China. We use various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals and transfers. In addition to salaries and benefits, we generally provide performance-based bonuses for our full-time employees and commission for our sales and marketing staff. We have also established share incentive schemes, including the Pre-IPO Share Incentive Scheme A, the Pre-IPO Share Incentive Scheme B and the Post-IPO Share Incentive Scheme to incentivize our employees, details of which are set out in the Prospectus. We have established a comprehensive system for employee training and development, including general trainings covering corporate culture, employee rights and responsibilities, workplace safety, data security, and other logistics aspects, as well as specific trainings that improve employee knowledge and expertise in certain important areas related to our business. We are committed to making continued efforts to provide an engaging working environment to our employees.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For The Year Ended December 31, 2023

	Notes	Year ended December 31,	
		2023	2022
		RMB'000	
<b>Revenue</b>	3	<b>1,120,149</b>	530,322
Cost of sales	6	<b>(1,026,509)</b>	(569,617)
		<u>93,640</u>	(39,295)
<b>Gross profit/(loss)</b>		<b>93,640</b>	(39,295)
Research and development expenses	6	<b>(635,112)</b>	(305,941)
Sales and marketing expenses	6	<b>(86,010)</b>	(67,381)
General and administrative expenses	6	<b>(345,943)</b>	(188,352)
Net impairment losses on financial assets		<b>(2,288)</b>	(2,502)
Other income	4	<b>45,427</b>	31,483
Other losses — net	5	<b>(10,296)</b>	(44,118)
		<u>(940,582)</u>	(616,106)
<b>Operating loss</b>		<b>(940,582)</b>	(616,106)
Finance income	7	<b>80,951</b>	20,491
Finance costs	7	<b>(2,865)</b>	(5,046)
		<u>78,086</u>	15,445
<b>Finance income — net</b>		<b>78,086</b>	15,445
Share of net profit of an associate accounted for using the equity method		<b>4,457</b>	—
Fair value changes in financial instruments issued to investors	14	<b>(3,471,058)</b>	(1,484,649)
		<u>(4,329,097)</u>	(2,085,310)
Loss before income tax		<b>(4,329,097)</b>	(2,085,310)
Income tax expenses	8	<b>(1,869)</b>	(803)
		<u>(4,330,966)</u>	(2,086,113)
<b>Net loss</b>		<b>(4,330,966)</b>	(2,086,113)
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(4,336,629)</b>	(2,088,652)
Non-controlling interests		<b>5,663</b>	2,539
		<u>(4,330,966)</u>	(2,086,113)

	Notes	Year ended December 31,	
		2023	2022
		RMB'000	
<b>Other comprehensive loss</b>			
Items that may be reclassified to profit or loss			
Currency translation differences		(1,412)	(1,910)
Items that will not be reclassified to profit or loss			
Currency translation differences		(73,320)	(296,737)
Fair value changes on convertible redeemable preferred shares and convertible notes due to own credit risk		(3,863)	(5,968)
<b>Other comprehensive loss, net of tax</b>		<u>(78,595)</u>	<u>(304,615)</u>
<b>Total comprehensive loss</b>		<u><u>(4,409,561)</u></u>	<u><u>(2,390,728)</u></u>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(4,415,224)	(2,393,267)
Non-controlling interests		<u>5,663</u>	<u>2,539</u>
		<u><u>(4,409,561)</u></u>	<u><u>(2,390,728)</u></u>
<b>Loss per share for loss attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted (expressed in RMB per share)	9	<u><u>(44.67)</u></u>	<u><u>(21.47)</u></u>

# CONSOLIDATED BALANCE SHEET

As of December 31, 2023

	Notes	As of December 31,	
		2023	2022
		RMB'000	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		268,084	208,066
Right-of-use assets		14,232	27,536
Intangible assets		51,545	52,243
Investment in an associate accounted for using the equity method		55,439	—
Financial assets at fair value through profit or loss		30,000	30,000
Other non-current assets		25,464	80,226
		<u>444,764</u>	<u>398,071</u>
<b>Current assets</b>			
Inventories		199,211	289,088
Trade and notes receivables	10	678,265	206,983
Prepayments, other receivables and other current assets		91,638	66,480
Financial assets at fair value through other comprehensive income		22,032	2,469
Financial assets at fair value through profit or loss		—	307,859
Time deposits		—	84,573
Restricted cash		9,130	530
Cash and cash equivalents	11	1,826,413	2,071,381
		<u>2,826,689</u>	<u>3,029,363</u>
<b>Total assets</b>		<u><u>3,271,453</u></u>	<u><u>3,427,434</u></u>
<b>EQUITY</b>			
Share capital		86	81
Other reserves		(56,719)	(355,509)
Accumulated losses		(9,029,044)	(4,692,005)
Capital and reserves attributable to owners of the Company		<u>(9,085,677)</u>	<u>(5,047,433)</u>
Non-controlling interests		<u>15,838</u>	<u>10,175</u>
<b>Total deficits</b>		<u><u>(9,069,839)</u></u>	<u><u>(5,037,258)</u></u>

	Notes	As of December 31,	
		2023	2022
		RMB'000	
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		1,159	13,151
Government grants		35,833	45,270
Financial instruments issued to investors	14	1,398,963	783,999
Other non-current liabilities		57,820	28,177
		<u>1,493,775</u>	<u>870,597</u>
<b>Current liabilities</b>			
Trade payables	13	490,202	223,849
Contract liabilities	3	16,940	19,651
Borrowings		1,003	—
Lease liabilities		14,362	17,356
Financial instruments issued to investors	14	10,050,724	6,212,044
Other payables and accruals		274,286	1,121,195
		<u>10,847,517</u>	<u>7,594,095</u>
<b>Total liabilities</b>		<u><u>12,341,292</u></u>	<u><u>8,464,692</u></u>
<b>Total deficits and liabilities</b>		<u><u>3,271,453</u></u>	<u><u>3,427,434</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 General information

RoboSense Technology Co., Ltd (“**RoboSense**” or the “**Company**”) was incorporated in the Cayman Islands on June 23, 2021 as an exempted company with limited liability. The address of the Company’s registered office is the offices of Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.

Suteng Innovation Technology Co., Ltd. (“**Shenzhen Suteng**”) was incorporated in the People’s Republic of China (the “**PRC**”) in August 2014. Upon the completion of the reorganization (the “**Reorganization**”) in January 2022, Shenzhen Suteng became an indirect wholly owned subsidiary of the Company. The Company and its subsidiaries are collectively referred to as the “**Group**”.

The Company is an investment holding company. The Group is engaged in (i) developing and producing LiDAR products for applications in advanced driver assistance systems (“**ADAS**”), as well as robotics and others, (ii) LiDAR perception solutions, combining LiDAR hardware and AI perception software, and (iii) services, collectively referred to as the “**Listing Business**” in the PRC. On April 21, 2023, Dr. Qiu Chunxin, Dr. Zhu Xiaorui, and Mr. Liu Letian (collectively the “**Founders**”) entered into the Concert Party Confirmation, to formalize and confirm that they have been parties acting in concert in exercising directors and shareholders’ rights of the Group and aligning their votes in the board and shareholders’ meetings of the Group since the Founders become shareholders or directors of the relevant member of the Group (whichever is earlier).

The Company completed the listing on the Main Board of The Stock Exchange of Hong Kong Limited on January 5, 2024 (the “**IPO**”).

## 2 Basis of preparation

- (i) Compliance with International Financial Reporting Accounting Standards issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”)

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- International Accounting Standards (“**IAS Standards**”)
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

- (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), that are measure at fair value.

### (a) *Going Concern*

The Group has been incurring losses from operations since inception. The Group incurred net losses of RMB4,330,966,000 for the year ended December 31, 2023 (2022: RMB2,086,113,000). Accumulated losses amounted to RMB9,029,044,000 as of December 31, 2023 (2022: RMB4,692,005,000). Net cash used in operating activities was approximately RMB516,477,000 for the year ended December 31, 2023 (2022: RMB523,072,000). As of December 31, 2023, the Group had total liabilities of RMB12,341,292,000, which included Preferred Shares issued to the investors with carrying amount of RMB1,398,963,000 and RMB10,050,724,000 under non-current liabilities and current liabilities, respectively.

The Group's liquidity is based on its ability to enhance its operating cash flow position, obtain capital financing from equity interest investors, and borrow funds to finance its general operations, research and development activities and capital expenditures. The Group's ability to continue as a going concern is dependent on management's ability to execute its business plan successfully, which includes increasing market acceptance of the Group's products to boost its sales volume to achieve economies of scale while applying more effective marketing strategies and cost control measures to better manage operating cash flow position and obtaining funds from outside sources of financing to generate positive financing cash flows. In January and February 2024, the Group raised approximately HK\$1,059 million (RMB963 million) gross proceeds from the issuance of new shares in Global Offering and partial exercise of over-allotment option before deducting underwriting commissions and listing expenses payable. Upon Listing, all Preferred Shares issued to investors have been automatically and irrevocably converted into ordinary shares.

Management has concluded, after giving consideration to its plans as noted above, the net proceeds received and the conversion of Preferred shares into ordinary shares upon Listing and existing balance of cash and cash equivalents as of December 31, 2023, that the Group has sufficient funds for sustainable operations and it will be able to meet its payment obligations from operations and debt related commitments for the next twelve months from December 31, 2023. Accordingly the consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations.

**(b) New and amended standards and interpretations**

**New and amended standards adopted by the Group**

The Group has applied the new and amended standards effective for the financial year beginning on January 1, 2023. The adoption of these new and revised standards does not have any significant impact on the consolidated financial statements of the Group.

**New and amended standards, improvements, interpretations and accounting guideline which are not yet effective and have not been early adopted by the Group**

The below new and amended standards, improvements, interpretations and accounting guideline have been published but are not yet effective in current year and have not been early adopted by the Group.

		<b>Effective for annual periods beginning on or after</b>
Amendments to IAS 1	Non-current Liabilities with Covenants	January 1, 2024
Amendments to IAS 1 (Note(a))	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective other than the following.

- (a) According to the Amendments to IAS 1 effective since January 1, 2024, the financial instruments issued to investors is expected to be classified as current liability as Preferred Shares of the Group are convertible by the holders at any time. On January 5, 2024, all Preferred Shares were automatically converted into ordinary shares upon Listing.

### 3 Revenue and segment information

#### (a) Segment information

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM who is the Chief Executive Officer of the Company. As a result of this evaluation, the CODM considers that the Group's operations are operated and managed as a single segment. Accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns the revenue from customers in the PRC and other geographic locations as follows:

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
<b>Revenue from:</b>		
The PRC	1,059,224	419,124
U.S.	24,215	75,660
Others	36,710	35,538
	<u>1,120,149</u>	<u>530,322</u>

As of December 31, 2023 and 2022, substantially all of the non-current assets of the Group were located in the PRC.

#### (b) Disaggregation of revenue

The breakdown of revenue for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
<b>Revenue from:</b>		
<b>Products</b>		
For ADAS	777,070	160,355
For robotics and others	186,473	239,053
	<u>963,543</u>	<u>399,408</u>
<b>Solutions</b>	110,074	122,260
<b>Services and others</b>	46,532	8,654
	<u>1,120,149</u>	<u>530,322</u>

Timing of revenue recognition for the years ended December 31, 2023 and 2022 is as follows:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue recognized at a point in time	<b>1,120,045</b>	530,188
Revenue recognized over time	<b>104</b>	134
	<u><b>1,120,149</b></u>	<u>530,322</u>

**(c) Revenue from major customers**

The major customers who contributed 10% or more of the Group's revenue for the years ended December 31, 2023 and 2022 are set out below:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Customer A	<b>367,284</b>	*
Customer B	<b>142,716</b>	*
Customer C	*	53,961
	<u>                    </u>	<u>                    </u>

\* Represents less than 10% of the Group's total revenue.

All the revenue derived from other single external customers were less than 10% of the Group's total revenue for the years ended December 31, 2023 and 2022.

**(d) Contract liabilities**

The Group has recognized the following contract liabilities related to contracts with customers:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Contract liabilities	<u><b>16,940</b></u>	<u>19,651</u>

(i) Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying goods or services are yet to be provided. A majority portion of contract liabilities balance at the beginning of the year will be recognized into revenue next year.

(ii) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from long-term technology development services contracts:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Aggregate amount of the transaction price allocated to long-term services contracts that are partially or fully unsatisfied	<u><b>41,403</b></u>	<u>39,319</u>

Management expects that RMB33,782,000 (2022: RMB36,533,000) of the transaction price allocated to the unsatisfied contracts as of December 31, 2023 will be recognized as revenue within one year. The remaining RMB7,621,000 (2022: RMB2,786,000) will be recognized over one to two years.

All other contracts with customers are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

#### 4 Other income

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	34,912	24,149
Value added tax (“VAT”) refund and additional input VAT deduction	8,089	6,365
Interest income from time deposits	2,426	969
	<u>45,427</u>	<u>31,483</u>

#### 5 Other loss — net

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Net fair value gains on financial assets at FVPL	796	1,120
Net foreign exchange losses	(10,439)	(45,132)
Others	(653)	(106)
	<u>(10,296)</u>	<u>(44,118)</u>

## 6 Expenses by nature

The detailed analysis of cost of sales, research and development expenses, sales and marketing expenses and general and administrative expenses is as follows:

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Changes in inventories of finished goods and work in progress	(1,295)	(166,586)
Raw materials and consumables used	835,475	550,827
Employee benefit expenses	909,195	460,567
Depreciation and amortization	89,004	53,525
Inventory provision	60,439	80,575
Listing expenses	48,695	3,558
Design and development expenses	43,450	40,441
Travel, office and freight expenses	34,260	28,647
Warranty expenses	21,116	7,626
Professional service fees	12,918	35,222
Advertising and promotion costs	3,442	3,928
Variable license fees	3,760	6,255
Audit remuneration		
— Audit service	305	1,056
— Non-audit service	74	8
Other expenses (Note(a))	32,736	25,642
	<u>2,093,574</u>	<u>1,131,291</u>

(a) Other expenses mainly include tax and levies, recruitment expenses, insurance expenses, bank charges and other miscellaneous expenses.

## 7 Finance income — net

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
<b>Finance income:</b>		
Interest income from cash and cash equivalents	80,951	20,491
	<u>80,951</u>	<u>20,491</u>
<b>Finance costs:</b>		
Net foreign exchange losses	(751)	(2,006)
Interest expenses on lease liabilities	(1,009)	(1,648)
Interest expenses on license fees payable	(1,105)	(1,392)
	<u>(2,865)</u>	<u>(5,046)</u>
<b>Finance income — net</b>	<u>78,086</u>	<u>15,445</u>

## 8 Income tax expenses

### (a) *Cayman Islands*

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Under the current laws of the Cayman Islands, the Company is not subject to tax on either income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

### (b) *BVI*

The Company's subsidiaries incorporated in BVI are exempted from income tax on its foreign-derived income in the BVI. There are no withholding taxes in the BVI.

### (c) *Hong Kong*

When the subsidiary was incorporated in Hong Kong, the subsidiary was subject to Hong Kong profits tax at a rate of 16.5% for taxable income earned in Hong Kong. Commencing on April 1, 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HKD2,000,000 and 16.5% for any assessable profits in excess of HKD2,000,000. The payments of dividends to shareholders are not subject to withholding tax in Hong Kong.

### (d) *United States*

The applicable income tax rate of United States where the Company's subsidiaries having significant operations for the years ended December 31, 2023 and 2022 is 27.98%, which is a blended state and federal rate.

### (e) *PRC Enterprise Income Tax*

Enterprise income tax ("EIT") was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC EIT rate is 25% for the years ended December 31, 2023 and 2022.

Certain subsidiaries of the Company in the PRC have been approved as High and New Technology Enterprises ("HNTE") under relevant tax rules and regulations, and accordingly, are subjected to a preferential EIT rate of 15% for the years ended December 31, 2023 and 2022.

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year ("**Super Deduction**"). Starting from October 1, 2022, the additional deduction ratio was increased to 100%.

Certain subsidiaries of the Company in the PRC, which were granted the qualification as "Small and Medium-sized Sci-tech Enterprise", could claim additional 100% deduction of their research and development expenses before tax for the years ended December 31, 2023 and 2022.

Certain subsidiaries of the Company in the PRC were qualified as "Small Low-Profit Enterprise". The entitled subsidiaries are subject to a preferential income tax rate from 2.5% to 5% for the years ended December 31, 2023 and 2022.

(f) *The PRC withholding tax*

Under the EIT Law enacted by the National People's Congress of the PRC, dividends generated after January 1, 2008 and payable by a foreign investment enterprise in the PRC to its foreign investors who are non-resident enterprises are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. Under the taxation arrangement between the PRC and Hong Kong, a qualified Hong Kong tax resident which is the "beneficial owner" and directly holds 25% or more of the equity interest in a PRC resident enterprise is entitled to a reduced withholding tax rate of 5%. The Cayman Islands, where the Company was incorporated, does not have a tax treaty with the PRC.

In accordance with accounting guidance, all undistributed earnings are presumed to be transferred to the parent company and are subject to the withholding taxes. All foreign-invested enterprises are subject to the withholding tax from January 1, 2008. The presumption may be overcome if the Group has sufficient evidence to demonstrate that the undistributed dividends will be re-invested and the remittance of the dividends will be postponed indefinitely. The Group did not record any dividend withholding tax, as it has no retained earnings for any of the year presented.

The income tax expenses of the Group for the years ended December 31, 2023 and 2022 are analyzed as below:

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Current income tax expenses	1,869	803
Deferred income tax expenses	—	—
	<u>1,869</u>	<u>803</u>
Income tax expenses	<u>1,869</u>	<u>803</u>

Reconciliations of the income tax expenses computed by applying the PRC statutory income tax rate of 25% to the Group's income tax expenses of the year presented are as follows:

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Loss before income tax	(4,329,097)	(2,085,310)
Income tax credit computed at the PRC statutory income tax rate of 25%	(1,082,274)	(521,328)
Effect of different tax rate of different jurisdictions	862,358	384,710
Effect of preferential tax rate	82,012	49,721
Share of net profit of an associate accounted for using the equity method	(669)	—
Expenses not deductible for income tax purposes	59,559	13,062
Effect of super deduction for qualified R&D expenses	(61,999)	(36,546)
Tax losses and deductible temporary differences for which no deferred tax asset was recognized	143,302	111,184
Utilization of previously unrecognized tax losses	(420)	—
	<u>1,869</u>	<u>803</u>
Income tax expenses	<u>1,869</u>	<u>803</u>

- (i) As of December 31, 2023, the Group had unused tax losses of approximately RMB2,022,589,000 (2022: RMB1,115,370,000) that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of future taxable income.
- (ii) The Group principally conducted its business in Mainland China, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expiries of unused tax losses of HNTE issued in August 2018, the expiry period of the accumulated unexpired tax losses of Shenzhen Suteng, which is qualified as HNTE, from 2019 had been extended from 5 years to 10 years. Shenzhen Suteng re-applied for HNTE status in 2022 and the approval was obtained in December 2022.

Deductible tax losses that are not recognized for deferred income tax assets will be expired as follows:

	<b>As of December 31,</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
2023	—	4,602
2024	<b>2,452</b>	2,452
2025	<b>3,197</b>	3,197
2026	<b>22,480</b>	22,480
2027	<b>47,904</b>	47,904
2028	<b>160,939</b>	58,467
2029	<b>132,059</b>	132,059
2030	<b>83,547</b>	83,547
2031	<b>132,315</b>	132,315
2032	<b>616,609</b>	619,407
2033	<b>796,199</b>	—
No expiry year	<b>24,888</b>	8,940
	<b><u>2,022,589</u></b>	<b><u>1,115,370</u></b>

## 9 Loss per share

### (a) Basic loss per share

Basic loss per shares is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding for the years ended December 31, 2023 and 2022.

The weighted average number of ordinary shares outstanding has been retrospectively adjusted for the effect of Reorganization and share split completed in January 2022 as if it had been in issue since January 1, 2022 and the capital injection to the Group for the years ended December 31, 2023 and 2022 were accounted for at time portion basis accordingly.

In determining the weighted average number of ordinary shares in issue, the unvested restricted shares are excluded:

	<b>Year ended December 31,</b>	
	<b>2023</b>	2022
Loss attributable to ordinary equity holder of the Company (RMB'000)	<b>(4,336,629)</b>	(2,088,652)
Weighted average number of ordinary shares outstanding	<b>97,082,430</b>	97,259,964
Basic loss per share (in RMB)	<b><u>(44.67)</u></b>	<u>(21.47)</u>

(b) *Diluted losses per share*

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended December 31, 2023 and 2022, respectively, the Company had four categories of potential ordinary shares: preferred shares, convertible notes, warrants and share-based awards granted to employees. As the Company incurred losses for the years ended December 31, 2023 and 2022, these potential ordinary shares were not included in the calculation of loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2023 and 2022 are the same as basic loss per share.

**10 Trade and notes receivables**

	As of December 31,	
	2023	2022
	RMB'000	RMB'000
Trade receivables	672,426	206,604
Notes receivables	15,004	7,533
	<u>687,430</u>	<u>214,137</u>
Less: credit loss allowances	(9,165)	(7,154)
	<u>678,265</u>	<u>206,983</u>

As of December 31, 2023 and 2022, the aging analysis of the trade and notes receivables based on recognition date is as follows:

	As of December 31,	
	2023	2022
	RMB'000	RMB'000
Up to 6 months	638,404	170,853
6 months to 1 year	29,844	30,422
1 to 2 years	15,318	10,510
Over 2 years	3,864	2,352
	<u>687,430</u>	<u>214,137</u>

The Group's trade and notes receivables are mainly denominated in RMB and their carrying amounts approximated their fair value.

**11 Cash and cash equivalents**

	As of December 31,	
	2023	2022
	RMB'000	RMB'000
Cash at banks	395,573	412,639
Time deposits with initial terms within three months	1,430,840	1,658,742
	<u>1,826,413</u>	<u>2,071,381</u>

Cash and cash equivalents were denominated in the following currencies:

	<b>As of December 31,</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
RMB	255,598	732,020
USD	1,570,613	1,339,152
EUR	199	203
HKD	3	6
	<u>1,826,413</u>	<u>2,071,381</u>

## 12 Dividends

No dividends have been paid or declared by the Company during the year ended December 31, 2023 (2022: nil).

## 13 Trade payables

	<b>As of December 31,</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade payables	<u>490,202</u>	<u>223,849</u>

The carrying amounts of trade payables approximate as their fair value due to their short-term maturity in nature.

At December 31, 2023 and 2022, the aging analysis of the trade payables based on the date of the goods and services received are as follows:

	<b>As of December 31,</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Up to 6 months	485,280	222,122
Between 6 months and 1 year	1,769	1,723
Over 1 year	3,153	4
	<u>490,202</u>	<u>223,849</u>

## 14 Financial instruments issued to investors

	<b>As of December 31,</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current</b>		
Preferred Shares	1,398,963	783,999
<b>Current</b>		
Preferred Shares	<u>10,050,724</u>	<u>6,212,044</u>
	<u>11,449,687</u>	<u>6,996,043</u>

All Preferred Shares were automatically converted into ordinary shares upon Listing on January 5, 2024.



The Group's Warrants liabilities activities are summarized as below:

	<b>Warrants RMB'000</b>
<b>As of January 1, 2022</b>	31,245
Change in fair value for Series E Warrants	(318)
Change in fair value for Series F Warrants	55,327
Exercise of Series E Warrants	(31,245)
Exercise of Series F Warrants	(57,840)
Currency translation differences	2,831
	<hr/>
<b>As of December 31, 2022</b>	<hr/> <hr/> <u>—</u>
<b>As of January 1, 2023</b>	—
Change in fair value for Series G-1 and Series G-2 Warrants	<b>20,876</b>
Exercise of Series G-1 and Series G-2 Warrants	<b>(21,087)</b>
Currency translation differences	<b>211</b>
	<hr/>
<b>As of December 31, 2023</b>	<hr/> <hr/> <u>—</u>

#### **15 Event occurring after the reporting period**

In January 2024, the Company successfully completed its Global Offering of 22,909,800 shares at HK\$43 per share on the Main Board of The Stock Exchange of Hong Kong Limited. In February 2024, the underwriters of the Global Offering partially exercised the over-allotment option, and an aggregate of 1,727,700 shares were newly allotted and issued by the Company. The net proceeds received by the Company from the Global Offering, including the exercise of over-allotment option, after deduction of the underwriting commission and other related expenses payable, have increased the net assets of the Company. Upon Listing, all the preferred shares were automatically converted into ordinary shares and were reclassified from liabilities to equity accordingly.

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

During the Reporting Period and up to the date of this announcement, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the securities of the Company listed on the Stock Exchange.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in note 15 to the consolidated financial information set forth in this announcement, we are not aware of any material subsequent events since the end of the Reporting Period to the date of this announcement.

## **FINAL DIVIDEND**

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2023.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of its Shareholders. The principles of the Company’s corporate governance are to promote effective internal control measures, to enhance transparency of the work of the Board, and to strengthen accountability to all the Shareholders.

The Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules has become applicable to our Company with effect from the Listing Date, and was not applicable to us during the Reporting Period. Since the Listing Date, the Company has complied with the applicable code provisions under the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules, save for code provision C.2.1. Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should be performed by different individuals. During the Reporting Period, the roles of chairman of the Board and the Chief Executive Officer were performed by Dr. Qiu Chunxin. With effect from March 27, 2024, Dr. Qiu Chunxin has resigned as the Chief Executive Officer and Mr. Qiu Chunchao has been appointed as the Chief Executive Officer. For details, please refer to the section headed “(2) Change of Chief Executive Officer and Senior Management Members” of this announcement.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Board has adopted the Model Code as the code of conduct regulating Directors' dealings in securities of the Company. In response to specific enquiries made by the Board, all Directors confirmed that they have complied with the provisions of the Model Code since the Listing Date and up to the date of this announcement.

## **ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS**

The AGM will be held on June 27, 2024. A notice convening the AGM will be published in the manner required by the Listing Rules in due course.

For the purposes of determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from June 24, 2024 to June 27, 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates shall be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on June 21, 2024.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive loss and the related notes thereto for the year ended December 31, 2023 as set out in this announcement have been agreed by the Auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2023. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on announcement.

## **AUDIT COMMITTEE**

The Audit Committee (comprising the non-executive Director, Dr. Zhu Xiaorui, and two independent non-executive Directors, Mr. Liu Ming and Mr. Ng Yuk Keung) has reviewed the consolidated financial statements of the Group for the Reporting Period. The Audit Committee has also discussed matters in relation to the accounting policies and practices adopted by the Company and internal control with senior management members and the Auditor.

# **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement has been published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.roboticsense.ai/en>. The annual report of the Company for the year ended December 31, 2023 will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

## **(2) CHANGE OF CHIEF EXECUTIVE OFFICER AND SENIOR MANAGEMENT MEMBERS**

The Board hereby announces that the following changes on the positions held by Dr. Qiu Chunxin and Mr. Qiu Chunchao has become effective on March 27, 2024:

- i. Dr. Qiu Chunxin has tendered his resignation as the Chief Executive Officer with effect from March 27, 2024 and the Board has appointed Dr. Qiu as the Chief Scientist of the Company with effect from the same date. Such changes will allow Dr. Qiu to focus more on the role of chairman of the Board, to oversee the scientific development of the Group, and to continue to provide his valuable insights on the overall strategy and business and product development of the Company to the Board.
- ii. Following the resignation of Dr. Qiu Chunxin as the Chief Executive Officer, the Board has appointed Mr. Qiu Chunchao as the Chief Executive Officer with effect from March 27, 2024. In order to focus on the role of the Chief Executive Officer, Mr. Qiu has tendered his resignation as the executive president of the Company with effect from the same date.

Each of Dr. Qiu and Mr. Qiu confirmed that he has no disagreement with the Board and that there is no other matter in connection with his resignation as the Chief Executive Officer or executive president of the Company (as applicable) that should be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Qiu Chunchao (邱純潮), aged 34, is an executive Director. He was appointed as a Director on December 31, 2021 and re-designated as an executive Director on June 28, 2023. Mr. Qiu is the brother of Dr. Qiu Chunxin. He is primarily responsible for overseeing the execution of the overall strategy, business development and management of our Group.

Mr. Qiu has over eight years of experience in the LiDAR solutions market. He has been holding senior management position and directorship in several subsidiaries of our Group, including the supervisor of Optixpan Semiconductors Inc. (深圳市涵光半導體有限公司) since October 2016, supervisor of Suzhou Xijing MEMS Technology Co., Ltd. (蘇州希景微機電科技有限公司), since November 2017, supervisor of Shanghai Lubo Shengshi Information Technology Co., Ltd. (上海路泊盛世信息科技有限公司) since December 2018, and director of Hong Kong Suteng Innovation Technology Co. Limited (香港速騰聚創科技有限公司) since June 2021.

Mr. Qiu obtained a diploma (專科證書) in computer application technology from Guangdong Vocational College of Science and Technology (廣東科學技術職業學院) in China in June 2012, and a master's degree in business administration from the Chinese University of Hong Kong (香港中文大學) in Hong Kong in October 2022.

Mr. Qiu was recognized by Forbes in the 30 Under 30 Asia List 2018 and the 30 Under 30 China List 2018, and by Hurun Report (胡潤百富) in Hurun China Under 30s To Watch 2019 (2019 胡潤 Under 30s 創業領袖). He was also honored by Human Resource Bureau Nanshan District (深圳市南山區人力資源局) as “High-level Talent” in Nanshan District of Shenzhen (深圳市南山區「領航人才」) in January 2022.

For details of the service contract entered into between Mr. Qiu and the Company in respect of his role of executive Director, please refer to the Prospectus. Mr. Qiu has not entered into a separate service contract with the Company in respect of his role as the Chief Executive Officer, and Mr. Qiu will not receive an additional service fee in respect of his appointment as the Chief Executive Officer.

As at the date of this announcement, Mr. Qiu is interested in 9,107,746 Shares of the Company.

Save as disclosed above, as at the date of this announcement, Mr. Qiu: (i) did not have any other relationship with any other Director, senior management or substantial or controlling Shareholders of the Company (within the definition of the Listing Rules); (ii) did not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance; (iii) did not hold any other position with any member of the Group; (iv) had not held any directorship in any other companies listed in Hong Kong or overseas in the last three years; (v) had no other major appointment or professional qualification; and (vi) had no information that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

### **(3) ESTABLISHMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE**

Being committed to high standards of corporate governance and aiming to integrate environmental, social and governance (“ESG”) policies and practices into our business strategies and management approach, the Board hereby announces that an environmental, social and governance committee of the Company (the “ESG Committee”) has been established with effect from March 27, 2024. Dr. Qiu Chunxin has been appointed as the chairman of the ESG Committee, and each of Mr. Liu Letian and Mr. Qiu Chunchao has been appointed as a member of the ESG Committee.

The primary duties of the ESG Committee include, among others, (i) developing and reviewing the Company's ESG responsibilities, vision, objectives, strategies, principles and policies, (ii) reviewing and monitoring the Company's ESG policies and practices, and (iii) reviewing the Company's ESG report and making recommendations to the Board for approval. The terms of reference of the ESG Committee will be published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company at <http://www.robosense.ai/en>.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expression shall have the meanings set out below:

<b>“ADAS”</b>	advanced driver assistance systems, the groups of electronic technologies that assist drivers in driving and parking functions; it also refers to levels 1 to 3 autonomous driving as defined by the Society of Automotive Engineers
<b>“AGM”</b>	the annual general meeting to be held on June 27, 2024 or any adjournment thereof
<b>“Audit Committee”</b>	the audit committee of the Company
<b>“Auditor”</b>	PricewaterhouseCoopers, the independent auditor of the Company
<b>“Board”</b>	the board of Directors of the Company
<b>“Chief Executive Officer”</b>	the chief executive officer of the Company
<b>“Company” or “our Company” or “the Company”</b>	RoboSense Technology Co., Ltd (速騰聚創科技有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2498)
<b>“Concert Party Confirmation”</b>	the concert party confirmation dated April 21, 2023 executed by Dr. Qiu Chunxin, Dr. Zhu Xiaorui and Mr. Liu Letian to confirm that they have been parties acting in concert in exercising shareholders’ rights of the Group since the they become shareholders or directors of the relevant member of the Group (whichever is earlier)
<b>“Director(s)”</b>	director(s) of the Company
<b>“Global Offering”</b>	the Hong Kong public offering and the international offering of the Company, details of which are set out in the Prospectus
<b>“Group” or “our Group” or “the Group” or “we” or “us” or “our”</b>	the Company and its subsidiaries from time to time
<b>“HKD” or “HK\$”</b>	Hong Kong Dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC

<b>“IFRS”</b>	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and interpretation issued by the International Accounting Standards Committee
<b>“LiDAR”</b>	a remote sensing method that uses light to measure the distance or range of objects
<b>“Listing”</b>	the listing of the Shares on the Main Board of the Stock Exchange
<b>“Listing Date”</b>	January 5, 2024, the date on which our Shares are listed on the Main Board of the Stock Exchange
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Luxsense”</b>	Dongguan Luxsense Innovation Electronics Co., Ltd. (東莞立騰創新電子有限公司), a company incorporated under the laws of the PRC, and an entity held by Suteng Innovation Technology Co., Ltd. (深圳市速騰聚創科技有限公司), a wholly-owned subsidiary of the Company, as to 49% and Dongguan Cowell Optic Electronics Co., Ltd. (東莞高偉光學電子有限公司), an independent third party, as to 51%
<b>“Model Code”</b>	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
<b>“perception solution”</b>	visual, LiDAR or fusion solution that provides perception capabilities based on information collected from cameras, LiDARs or other sensors
<b>“Post-IPO Share Incentive Scheme”</b>	the post-IPO share incentive scheme of the Company adopted and approved by the Shareholders with effect from June 29, 2023, the principal terms of which are set out in Prospectus
<b>“Preferred Shares”</b>	convertible redeemable preferred shares of the Company, all of which were converted into ordinary shares upon Listing
<b>“PRC” or “Mainland China” or “China”</b>	the People’s Republic of China, which, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
<b>“Pre-IPO Share Incentive Scheme A”</b>	the pre-IPO share incentive scheme of the Company adopted and approved by the then Shareholders with effect from December 30, 2021, the principal terms of which are set out in the Prospectus

<b>“Pre-IPO Share Incentive Scheme B”</b>	the pre-IPO share incentive scheme of the Company adopted and approved by the then Shareholders with effect from December 30, 2021, the principal terms of which are set out in the Prospectus
<b>“Prospectus”</b>	the prospectus of the Company dated December 27, 2023 in relation to the Global Offering and the Listing
<b>“Reporting Period”</b>	the year ended December 31, 2023
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“RoboSense HK”</b>	RoboSense HongKong Limited, a company incorporated under the laws of Hong Kong, and an indirectly wholly-owned subsidiary of the Company
<b>“Securities and Futures Ordinance” or “SFO”</b>	Securities and Futures Ordinance, Chapter 571 of Laws of Hong Kong
<b>“Share(s)”</b>	the ordinary shares in the share capital of the Company
<b>“Shenzhen Suteng”</b>	Suteng Innovation Technology Co., Ltd. (深圳市速騰聚創科技有限公司), a company incorporated under the laws of PRC, and an indirectly wholly-owned subsidiary of the Company
<b>“Shareholder(s)”</b>	the holder(s) of Share(s)
<b>“SOP”</b>	start of production, which signifies the transition from the development and testing phase to manufacturing and commercialization, when the product is ready for mass production and delivery
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“subsidiary(ies)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“U.S. dollar(s)” or “USD”</b>	United States dollars, the lawful currency of the United States of America
<b>“V2X”</b>	communication between a vehicle and any object, such as road, traffic lights and roadside signals that may affect, or may be affected by, the vehicle

*For ease of reference, the names of PRC established companies and entities have been included in this announcement in both the Chinese and English languages, and in the event of any inconsistency, the Chinese versions shall prevail. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.*

**By order of the Board**  
**RoboSense Technology Co., Ltd**  
**Dr. Qiu Chunxin**

*Chairman of the Board, Executive Director and Chief Scientist*

Shenzhen, March 27, 2024

*As at the date of this announcement, the executive Directors are Dr. Qiu Chunxin, Mr. Liu Letian and Mr. Qiu Chunchao; the non-executive Director is Dr. Zhu Xiaorui; and the independent non-executive Directors are Mr. Feng Jianfeng, Mr. Liu Ming and Mr. Ng Yuk Keung.*

*This announcement contains certain forward-looking statements. These forward-looking statements are based on information currently available to the Group or the current belief, expectations and assumptions of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and Shareholders and investors of the Company should not place undue reliance on such statements.*