



robosense

RoboSense Technology Co., Ltd
速騰聚創科技有限公司

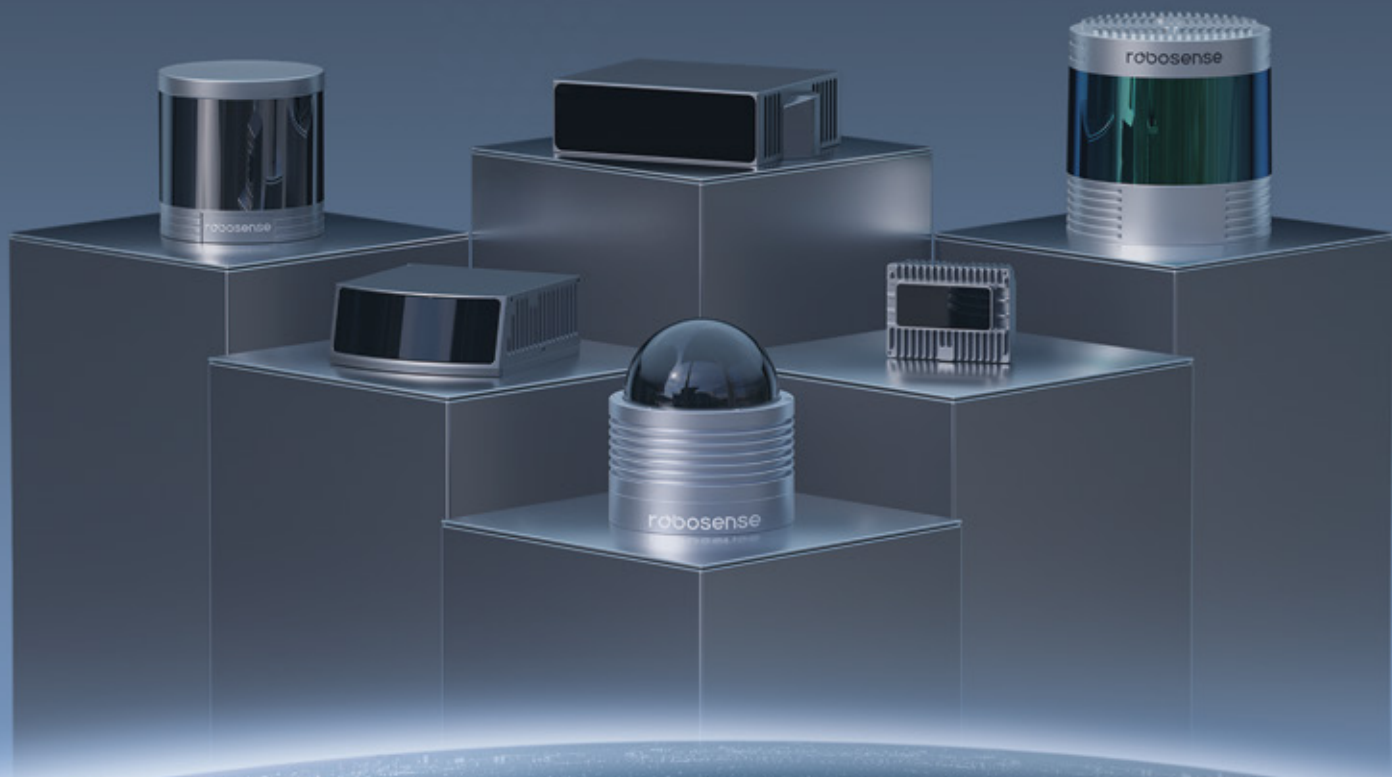
(Incorporated in the Cayman Islands with limited liability)

Stock code : 2498



2024

INTERIM REPORT





robosense

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Dr. Qiu Chunxin (*Chairman of the Board and Chief Scientist*)⁽¹⁾

Mr. Liu Letian (*Chief Technology Officer*)

Mr. Qiu Chunchao (*Chief Executive Officer*)⁽¹⁾

Non-executive Director

Dr. Zhu Xiaorui (*Scientific Advisor*)

Independent Non-executive Directors⁽²⁾

Mr. Feng Jianfeng

Mr. Liu Ming

Mr. Ng Yuk Keung

AUDIT COMMITTEE⁽²⁾

Mr. Ng Yuk Keung (*Chairman*)

Mr. Liu Ming

Dr. Zhu Xiaorui

REMUNERATION COMMITTEE⁽²⁾

Mr. Feng Jianfeng (*Chairman*)

Mr. Liu Ming

Dr. Zhu Xiaorui

NOMINATION COMMITTEE

Dr. Qiu Chunxin (*Chairman*)

Mr. Feng Jianfeng

Mr. Ng Yuk Keung

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE⁽³⁾

Dr. Qiu Chunxin (*Chairman*)

Mr. Liu Letian

Mr. Qiu Chunchao

AUTHORIZED REPRESENTATIVES

Mr. Qiu Chunchao

Ms. Lau Yee Wa

JOINT COMPANY SECRETARIES

Mr. Lau Wing Kee

Ms. Lau Yee Wa

COMPLIANCE ADVISOR

Maxa Capital Limited

Unit 2602, 26/F, Golden Centre

188 Des Voeux Road Central

Sheung Wan Hong Kong

REGISTERED OFFICE

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman

KY1-1104, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building 9

Zhongguan Honghualing Industry

Southern District

1213 Liuxian Avenue, Taoyuan Street

Nanshan District, Shenzhen, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place

348 Kwun Tong Road, Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
Bank of China Limited, Shenzhen Nantou sub-branch
China Merchants Bank, Shenzhen branch

AUDITOR

PricewaterhouseCoopers
*Certified Public Accountants and
Registered Public Interest Entity Auditor*

LEGAL ADVISOR AS TO HONG KONG LAWS

Linklaters

COMPANY WEBSITE

www.robosense.ai/en

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- (1) Dr. Qiu Chunxin resigned as the Chief Executive Officer and was appointed as the Chief Scientist with effect from March 27, 2024. Mr. Qiu Chunchao resigned as the executive president and was appointed as the Chief Executive Officer of our Company with effect from March 27, 2024.
 - (2) Dr. Lu Cewu resigned as an independent non-executive Director, and a member of the Audit Committee and the Remuneration Committee of our Company with effect from February 9, 2024. Mr. Liu Ming was appointed as an independent non-executive Director, and a member of the Audit Committee and the Remuneration Committee of our Company with effect from February 9, 2024.
 - (3) Environmental, Social and Governance Committee of our Company was established on March 27, 2024.

CHIEF EXECUTIVE OFFICER'S STATEMENT

We are very pleased to announce that RoboSense's business has continued to grow rapidly. In the first half of 2024, our total revenue reached RMB727 million, representing a year-on-year increase of approximately 121.0%. In the first half of 2024, our total sales volume of LiDAR amounted to approximately 243,400 units, which is close to our annual sales volume in 2023, representing a year-on-year increase of approximately 415.7%, and of which, the sales volume of LiDAR for ADAS applications amounted to approximately 234,500 units, representing a year-on-year increase of approximately 487.7%. As of the end of the second quarter of 2024, RoboSense has historically accumulated total sales volume of LiDAR of over approximately 580,000 units.

In addition to the rapid growth of our business, our gross margin has continued to improve. In the first half of 2024, the Company's overall gross margin was 13.6%, representing an increase of nearly 10 percentage points as compared to the overall gross margin of 3.9% in 2023. In 2024, our overall gross margin in the first quarter was 12.3%, and our overall gross margin in the second quarter reached 14.8%. We expect that our overall gross margin will further improve in the second half of this year.

As of June 30, 2024, RoboSense's design wins for mass production of LiDAR products with 22 automotive OEMs and Tier 1 customers worldwide had increased to 80 vehicle models, with 17 vehicle model design wins newly added in the first half of this year, and we had successfully achieved SOP for 29 vehicle models with 12 of the aforementioned automotive OEMs. Popular models for which we achieved SOP in the first half of this year included the brand new ZEEKR 001 & 009, and SAIC IM Motor L6 & L7, etc. According to the rankings of LiDAR suppliers' installed capacity for the period from January 2024 to June 2024 released by Gasgoo Auto Research Institute (盖世汽車研究院), RoboSense was at the top of the list with a market share exceeding 40%. In the second half of this year, we will witness more vehicle models being put into mass production, which include various vehicle models owned by one of our world's largest new energy OEM customers.

We are fully confident with the prospects of LiDAR for ADAS application in the automotive market, RoboSense launched two new products in the first half of this year: MX with great cost-effectiveness and M3 with outstanding performance.

The launch of new products has also been recognized by the market. By the end of July 2024, these new products of RoboSense had obtained multiple design wins from five OEM customers, including from SAIC IM Motor and XPeng Motors. The first design win project is expected to commence SOP in the first half of 2025.

In terms of the globalization of our business, RoboSense obtained a new design win from another overseas OEM customer, which is one of the top ten global vehicle manufacturers, in July this year. This marks another breakthrough in our overseas business following the acquisition of a design win from a 2021–2023 global sales No. 1 OEM customer. In the future, RoboSense will continue to expand into the global market, and further accelerate the global large-scale application of intelligent driving.

CHIEF EXECUTIVE OFFICER'S STATEMENT

LiDAR for ADAS application in automotive industry is the first market where RoboSense's products have accomplished mass-production, and we believe that this is just the beginning. According to the data of Precedence Research, the compound annual growth rate (CAGR) of the global robotics technology market for the next ten years will be approximately 14.7%.

In terms of the robotics market, as the new application scenarios for robotics are expanding, we expect that the delivery of our LiDAR products for robotics and others will increase significantly in the second half of this year, and may maintain a strong growth momentum in the future. This is only the beginning of the exponential growth in robotics market. Hence, as a core component of robotics, 3D perception sensors, as represented by LiDARs, are expected to experience a significant growth. We believe that the robotics industry will become RoboSense's important growth driver in the near future. We have been collaborating with our robotics industry peers to jointly explore the application of LiDARs for a long period of time. To date, our products have been accumulatively serving more than 2,600 customers in the robotics and other business sectors.

August of this year happens to be RoboSense's tenth anniversary. In the first decade of our development, we have focused on refining the "eyes" of the robots, and LiDAR products are the first step of RoboSense. As an AI-driven robotics technology company, we will continue to invest substantially in three technological fields, namely, AI algorithms, chips, and hardware. We will continue to maintain ourselves as a major player in the automotive and robotics industries, and to provide the markets with more diversified products or solutions in addition to LiDARs. Through continuous innovation in robotics technology, we wish to make the world safer and life smarter. Our vision is to become a global leader in robotics technology platforms.

Qiu Chunchao

Chief Executive Officer

September 20, 2024

KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

KEY FINANCIAL HIGHLIGHTS

	For the six months ended June 30,	
	2024	2023
	(Unaudited)	(Audited)
	(RMB in thousands)	(RMB in thousands)
Revenue	727,094	329,048
Gross profit	98,553	12,752
Operating loss	(322,070)	(461,492)
(Loss)/Profit for the period attributable to	(267,521)	(768,288)
Owners of the Company	(269,151)	(771,222)
Non-controlling interests	1,630	2,934

	As of June 30,	As of December 31,
	2024	2023
	(Unaudited)	(Audited)
	(RMB in thousands)	(RMB in thousands)
Total assets	3,862,223	3,271,453
Total liabilities	729,505	12,341,292
Total equity/(deficits)	3,132,718	(9,069,839)

KEY OPERATIONAL HIGHLIGHTS AND RECENT DEVELOPMENT

- For the second quarter ended June 30, 2024 (“Q2 2024”), the Group’s sales volume of LiDAR products, LiDAR products for ADAS applications, and LiDAR products for robotics and others amounted to approximately 123,000, 118,300 and 4,700 units, respectively, representing an increase of 380.5%, 442.7% and 23.7% respectively compared to the second quarter ended June 30, 2023 (“Q2 2023”).
- For the six months ended June 30, 2024, the Group’s sales volume of LiDAR products, LiDAR products for ADAS applications, and LiDAR products for robotics and others amounted to approximately 243,400, 234,500 and 8,900 units, respectively, representing an increase of 415.7%, 487.7% and 21.9% respectively compared to the same period in 2023.
- As of June 30, 2024, our design wins for mass production of LiDAR products with 22 automotive OEMs and Tier 1 suppliers had increased to 80 vehicle models, and we had achieved SOP for 29 vehicle models with 12 of the aforementioned automotive OEMs and Tier 1 suppliers.

KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

- In the first half of 2024, the Group's total revenue reached RMB727 million, representing a year-on-year increase of approximately 121.0%.
- In the first half of 2024, the Group's overall gross margin was 13.6%, representing an increase of approximately 9.7 percentage points as compared to the same period in 2023.
- In the first half of 2024, the Company has successively launched two new products, namely, the long-range LiDAR, M3, and the full-stack chip-based mid-range LiDAR, MX, respectively. By the end of July 2024, these new products had obtained multiple design wins from five customers, including from SAIC IM Motor and XPeng Motors. The first design win project is expected to commence SOP in the first half of 2025.
- Following the acquisition of a design win from a 2021–2023 global sales No. 1 OEM customer, we obtained a new design win from another overseas OEM customer, which is one of the top ten global vehicle manufacturers, in July 2024.
- The Company has reached strategic cooperation with several top global autonomous driving companies, such as Momenta, Pony.ai, and Deeproute.ai, in deeply supporting their L4 autonomous driving technologies and systems.
- In order to expand our production capacity so as to cope with the expected increase in future demand for the Company's products, besides our existing Shenzhen Honghualing factory (深圳紅花嶺工廠) and Dongguan Luxsense manufacturing center (東莞立騰製造中心), the Company is constructing the RoboSense Mars Manufacturing Headquarter (RoboSense Mars製造總部基地) with a total area of 100,000 sq.m. in the Shenzhen-Shanwei Cooperation Zone (深汕合作區) through leasing arrangement, which is expected to commence its operation in the third quarter of this year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We are an AI-driven robotics technology company. As an industry-leading enterprise, we deliver sensors and solutions for automotive and robotics applications in three core technology areas: AI algorithms, chips, and hardware. 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.

Our Customer-Centric Technology and Product Approach

We offer intelligent LiDAR system solutions that combine hardware and software, endowing robots with three-dimensional visual capabilities that surpass human vision. In terms of LiDAR hardware, our automotive-grade solid-state LiDARs and mass-produced mechanical LiDARs cover diverse autonomous driving scenarios and unmanned robot applications, as a world leader. In June 2021, we began mass delivery of our flagship LiDAR product, the M1, which marked the beginning of mass production of automotive-grade solid-state LiDARs. In November 2022, we launched our first high-performance all-solid-state blind-spot detection LiDAR product, the E1, dedicated to further enhancing the full-scenario perception capabilities of intelligent driving. In January 2024, we unveiled the M3, the first long-range LiDAR product of the M platform, which provides a solid foundation for our customers' L3–L4 pre-installation mass production projects. This April, we introduced MX, a medium-range LiDAR product with a full-stack system, officially ushering in the era of digital equity.

In terms of perception software, we have developed point cloud perception software specifically for the autonomous driving environment, including functional modules such as drivable area detection, obstacle detection, and dynamic object tracking, which enhance the precision of autonomous driving. In terms of solutions, we have achieved the integration of hardware and software, providing targeted perception system solutions for different scenarios, thereby forming a highly intelligent LiDAR perception system.

As of June 30, 2024, we had earned design wins for mass production of LiDAR products for 80 vehicle models with 22 automotive OEMs and Tier 1 suppliers, and achieved SOP for 29 vehicle models with 12 of the aforementioned automotive OEMs and Tier 1 suppliers. We had established cooperation with more than 290 automotive OEMs and Tier 1 suppliers globally as of June 30, 2024. For the six months ended June 30, 2024, our revenue generated from sales of our LiDAR products for ADAS applications increased to RMB609.0 million from RMB146.9 million for the same period of 2023, representing a significant year-on-year growth of 314.6%.

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 June 30, 2024, we had served more than 2,600 customers in the robotics and other non-automotive industries. For the six months ended June 30, 2024, our revenue generated from sales of our LiDAR products for robotics and other industries decreased to RMB77.5 million from RMB88.0 million for the same period of 2023, representing a year-on-year reduction of 11.9%. Our revenue generated from solutions was RMB35.7 million for the six months ended June 30, 2024, representing a year-on-year reduction of 41.2%. For the six months ended June 30, 2024, our revenue generated from services and others decreased to RMB4.9 million from RMB33.5 million for the same period of 2023, representing a year-on-year reduction of 85.3%.

MANAGEMENT DISCUSSION AND ANALYSIS

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 are also constructing the RoboSense Mars Manufacturing Headquarter (RoboSense Mars製造總部基地), which is expected to commence its operation in the third quarter of 2024. 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 remained 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 and robotic solutions market.

We are fully confident with the prospects of LiDAR for ADAS application in the automotive market, and believe that there are several key factors driving such wide application in the market:

- While the market demand for L2+ autonomous driving continues to grow, the number of vehicle models equipped with LiDARs is expected to increase significantly. Intelligent driving has become a key competition factor in the automotive industry. As LiDARs have already been commonly applied and installed in vehicle models priced over RMB200,000, we expect that the demand for LiDARs to be installed in vehicle models priced under RMB200,000, which represent a large sales volume, will also increase gradually;
- With the continuous development of L3 or above autonomous driving technologies, the number of LiDARs to be equipped in a single motor vehicle will increase significantly. L3 or above autonomous driving requires a wider detection range, therefore, it is necessary to install more LiDARs around a single motor vehicle. Meanwhile, in order to meet the driving safety requirements in high-speed scenarios, the performance of forward LiDAR will need to be further upgraded, resulting in an increase in average unit price of LiDAR products;
- With the worldwide expansion in the scale of intelligent driving application, we believe that the market demand for LiDARs will be further expanded. Currently, the application of LiDARs is mainly concentrated in China. Over the next two years, overseas motor vehicle manufacturers will launch their high-level autonomous driving technologies in the overseas markets. According to the forecast of the motor vehicles sales volume in China market and the global market, we expect that the overall global market demand for LiDARS will increase significantly.

MANAGEMENT DISCUSSION AND ANALYSIS

In order to embrace such opportunity, RoboSense has introduced two new products in the first half of this year, namely, our extremely cost-effective MX, and ultimate performance M3.

- MX has a detection range of 200 meters and an angular resolution of up to $0.1^{\circ} \times 0.1^{\circ}$, equipped with fully-adjustable ROI, and its performance can fully satisfy the requirements of current mainstream L2+ autonomous driving. Moreover, with its remarkable size performance and extremely low cost, and the efficient low-cost integration with core components such as domain control, MX is able to allow vehicle models priced under RMB200,000 to achieve high-level intelligent driving functions, resulting in “democratization of technology”.
- M3 has a detection range of 300 meters, supports up to an angular resolution of $0.05^{\circ} \times 0.05^{\circ}$ under normal operating mode with 500-beam equivalent in the ROI, and can achieve point cloud effect of 1,000-beam in the ROI under high-resolution mode. While maintaining M3’s unit selling price at a similar level as that of the current mainstream LiDAR products, M3’s performances has been largely upgraded, in particular, to fulfill the safety requirements in high-speed scenarios (including for highways without speed limitation in overseas countries). In addition, by equipping together with our E Platform blind spot LiDARs, motor vehicles are able to obtain the full-view high-performance 3D imaging capabilities, which can drive the progress and development of autonomous driving technology.

LiDAR for ADAS application in automotive industry is the first market where RoboSense’s products have accomplished mass-production, and we believe that this is just the beginning. We believe that more industries similar to the automotive industry will be gradually emerging in the global robotics technology market.

In addition to the gradual expansion of scale and size of the robotics market, with the rapid advancement in large language model and embodied artificial intelligence, there will be robotic intelligent unmanned transformation for the traditional industrial and commercial fields and exponential growth potential for the demand for robotics in new consumer markets. Hence, as a core component of robotics, 3D perception sensors, as represented by LiDARs, are expected to experience a significant growth. We believe that the robotics industry will become RoboSense’s important growth driver in the near future. We have been collaborating with our robotic industry peers to jointly explore the application of LiDARs for a long period of time. To date, our products platform have been accumulatively serving more than 2,600 customers in the robotics and other business sectors.

As an AI-driven robotics technology company, we will continue to invest substantially in three technological fields, namely, AI algorithms, chips, and hardware. We will continue to maintain ourselves as a major player in the automotive and robotics industries, and to provide the markets with more diversified products or solutions in addition to LiDARs. Through continuous innovation in robotics technology, we wish to make the world safer and life smarter. Our vision is to become a global leader in robotics technology platforms.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Since June 30, 2024 and up to the date of this interim report, 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 the unaudited condensed consolidated interim financial statements in this interim report.

The following table sets forth the comparative figures for the six months ended June 30, 2024 and June 30, 2023.

	For the six months ended	
	June 30,	
	2024	2023
	(Unaudited)	(Audited)
	(RMB in	(RMB in
	thousands)	thousands)
Revenue	727,094	329,048
Cost of sales	(628,541)	(316,296)
Gross profit	98,553	12,752
Research and development expenses	(313,352)	(246,394)
Sales and marketing expenses	(57,026)	(40,174)
General and administrative expenses	(82,247)	(170,515)
Net impairment reversal/(losses) on financial assets	1,031	(182)
Other income	34,910	14,987
Other losses — net	(3,939)	(31,966)
Operating loss	(322,070)	(461,492)
Finance income — net	54,043	34,774
Share of net profit/(loss) of an associate accounted for using the equity method	4,843	(942)
Fair value changes in financial instruments issued to investors	(2,799)	(339,762)
Loss before income tax	(265,983)	(767,422)
Income tax expenses	(1,538)	(866)
Loss for the period	(267,521)	(768,288)
(Loss)/profit attributable to		
Owners of the Company	(269,151)	(771,222)
Non-controlling interests	1,630	2,934

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the comparative figures as of June 30, 2024 and December 31, 2023.

	As of June 30, 2024 (Unaudited) (RMB in thousands)	As of December 31, 2023 (Restated, Audited) (RMB in thousands)
Total current assets	3,401,169	2,826,689
Total non-current assets	461,054	444,764
Total assets	3,862,223	3,271,453
Total current liabilities	635,487	12,246,480 ^(Note)
Total non-current liabilities	94,018	94,812 ^(Note)
Total liabilities	729,505	12,341,292
Total equity/(deficits)	3,132,718	(9,069,839)
Total equity and liabilities	3,862,223	3,271,453

Note: Due to the Amendments to IAS 1 — Classification of Liabilities as Current or Non-current effective since January 1, 2024, the Group changed accounting policy on financial instruments issued to investors and reclassified the preferred shares as a current liability retrospectively by restating the balances as of December 31, 2023.

Revenue

	For the six months ended June 30,	
	2024 (Unaudited) (RMB in thousands)	2023 (Audited) (RMB in thousands)
Revenue from:		
Products		
For ADAS	609,035	146,910
For robotics and others	77,482	87,962
	686,517	234,872
Solutions	35,663	60,654
Services and others	4,914	33,522
Total	727,094	329,048

MANAGEMENT DISCUSSION AND ANALYSIS

Our total revenue was RMB727.1 million for the six months ended June 30, 2024, representing an increase of 121.0% from RMB329.0 million for the same period of 2023. The year-on-year increase was mainly attributable to the increased sales of products during the first half of 2024.

- Our revenue from the sales of products was RMB686.5 million for the six months ended June 30, 2024, representing an increase of 192.3% from RMB234.9 million for the same period of 2023, primarily due to the increase in sales of products for ADAS applications, such as our automotive-grade solid-state LiDAR. For the six months ended June 30, 2024, our revenue generated from sales of our LiDAR products for ADAS applications increased to RMB609.0 million from RMB146.9 million for the same period of 2023, representing a significant year-on-year growth of 314.6%. The total number of our LiDAR products sold increased to approximately 243,400 units in the first half of 2024 from approximately 47,200 units in the first half of 2023. The number of LiDAR products sold for ADAS applications increased significantly to approximately 234,500 units in the first half of 2024 from approximately 39,900 units in the first half of 2023. The revenue growth of LiDAR products for ADAS applications driven by the increase in sales volume of products was partially offset by the decrease in the average unit price of products for ADAS applications to approximately RMB2,600 per unit in the first half of 2024 from approximately RMB3,700 per unit in the first half of 2023. The decrease in the average unit price of products for ADAS applications was mainly because (i) we lowered the average selling price of our products offered to our customers when we have successfully reduced the procurement costs of raw materials in the first half of 2024, and (ii) we sold more mass-produced LiDARs in the first half of 2024, which were typically priced at a lower unit price as compared to their respective higher priced prototypes sold in the first half of 2023. Our revenue generated from sales of products for robotics and others was RMB77.5 million for the six months ended June 30, 2024, representing a decrease of 11.9% from RMB88.0 million for the same period of 2023. The total number of our LiDAR products sold for robotics and others increased to approximately 8,900 units in the first half of 2024 from approximately 7,300 units in the first half of 2023, while the average unit price of product decreased from approximately RMB12,000 per unit for the six months ended June 30, 2023 to approximately RMB8,700 per unit for the same period of 2024, primarily because the sales of lower priced Helios and Bpearl series increased whilst the sales of higher priced Ruby series decreased in the first half of 2024.
- Our revenue from the sales of solutions was RMB35.7 million for the six months ended June 30, 2024, representing a decrease of 41.2% from RMB60.7 million for the same period of 2023. Despite the number of delivered solutions projects has increased from 87 projects in the first half of 2023 to 193 projects in the first half of 2024, the average selling price per project decreased from approximately RMB697,200 in the first half of 2023 to approximately RMB184,800 in the first half of 2024, primarily attributable to the decrease in our Reference solution projects, which normally charged at a higher average selling price, and the increase in the number of lower priced standard RS-Fusion-P series solution projects, which are RoboTaxi solutions for robotics applications and early testing stages of ADAS applications that integrate our LiDAR hardware products and AI perception software to enable higher level autonomous driving.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

Our cost of sales was RMB628.5 million for the six months ended June 30, 2024, representing an increase of 98.7% from RMB316.3 million for the same period of 2023. The year-on-year increase was mainly attributable to the increase in sales of products for ADAS applications.

Gross Profit and Gross Margin

	For the six months ended June 30,			
	2024		2023	
	Gross Profit/ (Loss) (Unaudited)	Gross Margin	Gross Profit/ (Loss) (Audited)	Gross Margin
	(RMB in thousands, except for percentages)		(RMB in thousands, except for percentages)	
Products				
For ADAS	68,188	11.2%	(52,189)	(35.5)%
For robotics and others	20,251	26.1%	41,672	47.4%
Solutions	18,340	51.4%	28,684	47.3%
Services and others	(8,226)	(167.4)%	(5,415)	(16.2)%
Total	98,553	13.6%	12,752	3.9%

We recorded a gross profit of RMB98.6 million for the six months ended June 30, 2024, representing an increase of approximately 670.3% from RMB12.8 million for the same period of 2023. Accordingly, the gross profit margin improved significantly to 13.6% for the six months ended June 30, 2024 from 3.9% for the same period of 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 was mainly attributable to the significant gross margin improvement of our LiDAR products for ADAS applications.

In particular, for our LiDAR products for ADAS applications, we recorded a gross profit of RMB68.2 million for the six months ended June 30, 2024 as compared to a gross loss of RMB52.2 million for the same period of 2023. The gross margin for this product category improved significantly to gross profit margin of 11.2% for the six months ended June 30, 2024 from a gross loss margin of 35.5% for the six months ended June 30, 2023. The gross margin improvement was primarily attributable to the decrease in raw material procurement costs and the economies of scales, as the scale of our production volume for LiDAR products for ADAS applications in the first half of 2024 was significantly higher than the production volume in the first half of 2023.

For our sales of LiDAR products for robotics and others, we recorded a gross profit of RMB20.3 million and RMB41.7 million for the six months ended June 30, 2024 and 2023, respectively. The gross profit margin for this product category decreased to 26.1% for the six months ended June 30, 2024 from 47.4% for the same period of

MANAGEMENT DISCUSSION AND ANALYSIS

2023. The increase in sales of Helios and Bpearl series, which have gross margins lower than that of Ruby series, caused the overall gross margin of products for robotics and others to decrease in the first half of 2024.

For our provision of LiDAR perception solutions, we recorded a gross profit of RMB18.3 million and RMB28.7 million for the six months ended June 30, 2024 and 2023, respectively. The gross profit margin for this product category increased to 51.4% for the six months ended June 30, 2024 from 47.3% for the six months ended June 30, 2023, primarily attributable to the decrease in product costs in the first half of 2024.

R&D Expenses

Our R&D expenses were RMB313.4 million for the six months ended June 30, 2024, representing an increase of 27.2% from RMB246.4 million for the same period of 2023. The year-on-year increase was mainly attributable to (i) the higher employee benefit expenses, which were mainly attributable to the increase in the number of R&D personnel to 601 as of June 30, 2024 from 548 as of June 30, 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 and AI algorithm, who enjoyed better remuneration package. Our R&D expenses excluding share-based compensation as a percentage of revenue reduced to 36.3% for the six months ended June 30, 2024 from 53.4% for the six months ended June 30, 2023.

Sales and Marketing Expenses

Our sales and marketing expenses were RMB57.0 million for the six months ended June 30, 2024, representing an increase of 41.8% from RMB40.2 million for the same period of 2023. The year-on-year increase was mainly attributable to (i) the higher employee benefit expenses, which were mainly attributable to (a) the increase in share-based compensation of RMB2.2 million, and (b) improved remuneration package for our employees; and (ii) the increase in business development and promotional activities as the number of customers and relevant business activities have been increased. Our sales and marketing expenses excluding share-based compensation as a percentage of revenue reduced to 7.2% for the six months ended June 30, 2024 from 11.4% for the six months ended June 30, 2023.

General and Administrative Expenses

Our general and administrative expenses were RMB82.2 million for the six months ended June 30, 2024, representing a decrease of 51.8% from RMB170.5 million for the same period of 2023. The year-on-year decrease was mainly attributable to the decrease in share-based compensation of RMB83.7 million. Our general and administrative expenses excluding share-based compensation and listing expenses as a percentage of revenue reduced to 10.1% for the six months ended June 30, 2024 from 17.9% for the six months ended June 30, 2023.

Net impairment reversal/(losses) on financial assets

Net impairment reversal on financial assets increased to RMB1.0 million for the six months ended June 30, 2024 from net impairment losses RMB0.2 million for the same period of 2023. The increase was primarily due to the decrease in provision of impairment of trade and notes receivables.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income

Our other income increased by 132.7% to RMB34.9 million for the six months ended June 30, 2024 from RMB15.0 million for the same period of 2023, which was mainly attributable to the increase in government grants in the first half of 2024.

Other Losses

Our other losses, which were primarily net foreign exchange losses, decreased by 87.8% from RMB32.0 million for the six months ended June 30, 2023 to RMB3.9 million for the six months ended June 30, 2024. The foreign exchange losses we incurred in the first half of 2023 and 2024 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 our net foreign exchange losses to decrease in the first half of 2024.

Finance Income — Net

Finance income — net increased by 55.2% from RMB34.8 million for the six months ended June 30, 2023 to RMB54.0 million for the six months ended June 30, 2024. The increase was primarily due to the increase in interest income from cash and cash equivalents.

Net Loss

Our net loss was RMB267.5 million for the six months ended June 30, 2024, representing a decrease of 65.2% from RMB768.3 million for the same period of 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.

Excluding share-based compensation, fair value changes in financial instruments issued to investors and listing expenses, the adjusted net loss (non-IFRS measure) was RMB202.1 million for the six months ended June 30, 2024, representing a decrease of 17.0% from RMB243.6 million for the same period of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

	For the six months ended	
	June 30,	
	2024 (Unaudited) (RMB in thousands)	2023 (Audited) (RMB in thousands)
Reconciliation of net loss to adjusted net loss (non-IFRS measure):		
Net loss	(267,521)	(768,288)
Add:		
— Share-based compensation ⁽¹⁾	62,559	165,683
— Fair value changes in financial instruments issued to investors ⁽²⁾	2,799	339,762
— Listing expenses ⁽³⁾	26	19,195
Adjusted net loss (non-IFRS measure)	(202,137)	(243,648)

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 June 30, 2024, we had RMB2,570.6 million in cash and cash equivalents, restricted cash and time deposits, as compared to RMB1,835.5 million as of December 31, 2023. Our cash and cash equivalents primarily consist of cash at banks under RMB and USD denominations.

Our net operating cash outflow for the six months ended June 30, 2024 was RMB115.7 million, representing a decrease from RMB273.8 million for the six months ended June 30, 2023. Our net cash used in operating activities in the first half of 2024 is calculated by adjusting our loss before income tax of RMB266.0 million by non-cash and other items to arrive at an operating loss before changes in working capital of RMB179.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS

INDEBTEDNESS AND FINANCIAL RATIOS

Borrowings

As of June 30, 2024, we did not have any unutilized banking facilities.

Lease Liabilities

As of June 30, 2024, we recognized total lease liabilities, including current and non-current lease liabilities, of RMB4.8 million, as compared to that of RMB15.5 million as of December 31, 2023, primarily attributable to the payment 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 June 30, 2024, we recognized total license fees payable of RMB17.5 million, including current and non-current license fees payable, as compared to RMB22.6 million as of December 31, 2023, primarily attributable to the fact that there was no new addition of license fees payable, and the slight decrease in balance was solely attributable to the payment of the license fees payable.

Financial Ratios

Our current ratio (calculated as current assets divided by current liabilities as of the same date) increased to 535.2% as of June 30, 2024 from 23.1% as of December 31, 2023, mainly because all the preferred shares of the Company were automatically converted into ordinary shares and were reclassified from liabilities to equity accordingly upon Listing during the Reporting Period.

Our gearing ratio (calculated as total liabilities divided by total assets as of the same date) decreased to 18.9% as of June 30, 2024 from 377.2% as of December 31, 2023, mainly because all the preferred shares of the Company were automatically converted into ordinary shares and were reclassified from liabilities to equity accordingly upon Listing during the Reporting Period.

CHARGE ON ASSETS

As of June 30, 2024, there was no charge on assets of our Group (June 30, 2023: nil).

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

Our capital expenditures were primarily used for the construction of our manufacturing facilities. In the first half of 2024, our capital expenditures decreased to RMB59.0 million from RMB73.5 million in the first half of 2023. In these periods, our capital expenditures were primarily used for construction of our manufacturing facilities and supply chain.

MANAGEMENT DISCUSSION AND ANALYSIS

Our capital commitments were primarily related to (i) property, plant and equipment and (ii) intangible assets. As of June 30, 2024, we had capital commitments all attributable to property, plant and equipment of RMB3.3 million, which was decreased from our capital commitments of RMB7.2 million as of December 31, 2023, of which RMB5.5 million were attributable to property, plant and equipment and RMB1.7 million were attributable to intangible assets.

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 interim report, the Group had no other material capital expenditure or investment plan as of the Latest Practicable Date.

CONTINGENT LIABILITIES

As of June 30, 2024, 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 interim report, our Company had no other significant investments and/or material acquisition or disposal of subsidiaries, associates and joint venture during the six months ended June 30, 2024.

HUMAN RESOURCES

As of June 30, 2024, we had a total of 1,418 employees and almost all of our employees were based in Mainland China. Our Group’s total employee benefits for the Reporting Period were RMB360.3 million, consisting of wages, salaries and bonuses, share-based compensation expenses, pension costs (including defined contribution plans, housing funds, medical insurances and other social insurances), and other employee benefits. 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. On July 5, 2024, the Company granted restricted share units underlying a total of 216,607 Shares to eligible participants, who are the employees of the Group, pursuant to the Post-IPO Share Incentive Scheme. For details of the grant of awards, please refer to the Company’s announcement dated July 5, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On January 5, 2024, the Shares of our Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering (including the partial exercise of Over-allotment Option as disclosed in the announcement of the Company dated February 1, 2024) amounted to approximately HK\$953.0 million. We plan to use the net proceeds raised from the Global Offering as follows:

- Approximately 45% of the net proceeds for our research and development to continue building and enhancing our product pipeline as well as team expansion for supporting our R&D initiatives;
- Approximately 20% of the net proceeds for enhancing our manufacturing, testing and verification capabilities;
- Approximately 20% of the net proceeds for enhancing our sales and marketing efforts;
- Approximately 5% of the net proceeds for exploring potential strategic partnerships or alliance opportunities; and
- Approximately 10% of the net proceeds for working capital and for general corporate purposes to support our business operation and growth.

For details of the proposed uses of proceeds from the Global Offering, see the section headed “Future Plans and Use of Proceeds” in the Prospectus. As of the Latest Practicable Date, we did not anticipate any material change to our plan on the use of proceeds as stated in the Prospectus.

As of June 30, 2024, we had utilized the net proceeds as set out in the table below. We plan to use the unutilized amount of the net proceeds from the Global Offering for each intended use in the coming two to three years.

MANAGEMENT DISCUSSION AND ANALYSIS

Intended use	Proportion of net proceeds allocated for each intended use (%)	Amount of net proceeds allocated for each intended use (HK\$ million)	Amount of net proceeds utilized for each intended use during the Reporting Period (HK\$ million)	Amount of net proceeds unutilized for each intended use as of June 30, 2024 (HK\$ million)
For our research and development	45%	428.8	130.1	298.7
For enhancing our manufacturing, testing and verification capabilities	20%	190.6	148.1	42.5
For enhancing our sales and marketing efforts	20%	190.6	15.3	175.3
For exploring potential strategic partnerships or alliance opportunities	5%	47.7	—	47.7
For working capital and for general corporate purposes	10%	95.3	33.4	61.9

TREASURY POLICY

Our management performs the treasury functions and continues to monitor our cash requirements from time to time. If our cash requirements exceed the liquidity we hold at the time, our Company may seek credit facilities and external borrowings or issue securities as it considers necessary and appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business faces risks including those set out in the section headed “Risk Factors” in the Prospectus. The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control:

- Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter;
- We have a history of net losses, which may continue in the future;
- We have recorded net operating cash outflow in the past, which may reoccur in the future;

MANAGEMENT DISCUSSION AND ANALYSIS

- The failure to innovate our technology or develop new products to adapt to changing customer needs could harm our growth;
- Continued pricing pressures from our customers, many of whom possess significant bargaining power, may result in lower than anticipated revenue and margins, which may materially and adversely affect our business prospects and results of operations;
- We are susceptible to supply shortages, long lead times and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, adversely affect our profitability and delay deliveries of our products to customers;
- As the LiDAR industry in which we operate is new and rapidly evolving, we are subject to intense competition and it is difficult to forecast adoption rates and demand for our products. If market adoption of LiDAR does not continue to grow according to expectations, it could materially and adversely affect our business prospects and results of operations; and
- There is no guarantee that our automotive OEM customers will purchase our products and solutions in any certain quantity or at any certain price even after we obtain design wins, and the period of time from product design to mass production is long and we are subject to the risks of termination or postponement of contracts or unsuccessful implementation.

RISK MANAGEMENT

We are exposed to a variety of financial risks, including market risks (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk as set out below. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Risk management is carried out by the senior management of our Group. Our management regularly manages and monitors the financial risks of our Group to ensure appropriate measures are implemented in a timely and effective manner. During the Reporting Period, no hedging activity was undertaken by our Group.

Market Risk

Foreign Exchange Risk

Foreign exchange risk is the risk that the value of a financial instrument fluctuates because of the changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our Group's entities.

MANAGEMENT DISCUSSION AND ANALYSIS

The functional currency of our Company and majority of its overseas subsidiaries is USD whereas the functional currency of the PRC subsidiaries is RMB. Our Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB and USD. During the Reporting Period, our Group did not hedge transactions undertaken in foreign currencies but managed its foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures. See Note 5 to the unaudited condensed consolidated interim financial statements in this interim report for details.

Interest Rate Risk

Our Group's interest rate risk primarily arises from time deposits and cash and cash equivalents. Those carried at floating rates expose our Group to cash flow interest rate risk whereas those carried at fixed rates expose our Group to fair value interest rate risk. Our Group regularly monitors the interest rate risk to ensure there is no undue exposure to significant interest rate movements. During the Reporting Period, our Group did not have any significant interest-bearing liabilities nor any significant interest-bearing assets except for time deposits and cash and cash equivalents. The fair value interest rate risk arises from financial assets and liabilities carried at fixed rates was not significant for our Group during the Reporting Period. See Note 5 to the unaudited condensed consolidated interim financial statements in this interim report for details.

Price Risk

Our Group is exposed to price risk in respect of financial assets at FVPL, which mainly include investments in wealth management products. During the Reporting Period, our Group was not exposed to commodity price risk. See Note 5 to the unaudited condensed consolidated interim financial statements in this interim report for details.

Credit Risk

Our Group is exposed to credit risk in relation to its cash and cash equivalents, time deposits, restricted cash, trade and notes receivables, other receivables and financial assets at FVOCI. The carrying amounts of above items represent our Group's maximum exposure to credit risk in relation to financial assets. The management of our Group manages credit risk on a group basis. As of June 30, 2024, our cash and cash equivalent were mainly placed with reputable financial institutions in the PRC without significant credit issue, and our Group was not exposed to significant credit risk arising from other receivables having considered the counterparties' past operational and financial performance and other factors. See Note 5 to the unaudited condensed consolidated interim financial statements in this interim report for details.

Liquidity Risk

Liquidity risk is the risk that our Group is unable to meet its obligations when they fall due, resulting from amount and maturity mismatches of assets and liabilities. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding. Due to the nature of the underlying businesses, our management responsible for treasury function aims to maintain flexibility in funding by keeping sufficient cash available. See Note 5 to the unaudited condensed consolidated interim financial statements in this interim report for details.

OTHER INFORMATION

INTERIM DIVIDEND

The Board did not recommend the distribution of any interim dividend during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 29 to the interim condensed consolidated financial information set forth in this interim report, we are not aware of any material subsequent events since the end of the Reporting Period to the date of this interim report.

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

During the Reporting Period, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the securities of the Company listed on the Stock Exchange, nor sold any treasury shares of the Company. As at June 30, 2024, the Company did not hold any treasury shares.

Subsequent to the Reporting Period and up to the Latest Practicable Date, the Company repurchased a total of 8,437,500 Shares on the Stock Exchange at an aggregate consideration of approximately HK\$126 million.

Save as disclosed above, during the Reporting Period and up to the Latest Practicable Date, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company, nor sold any treasury shares of the Company.

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. 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 for the period from the Listing Date to March 27, 2024 as disclosed below. 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.

The roles of chairman of the Board and the Chief Executive Officer had been performed by Dr. Qiu. With effect from March 27, 2024, Dr. Qiu has resigned as the Chief Executive Officer and Mr. Qiu has been appointed as the Chief Executive Officer, and since then, the Company has complied with the code provision C.2.1 under the Corporate Governance Code.

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 end of the Reporting Period.

REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The Board has established the Audit Committee which comprises two independent non-executive Directors, namely Mr. Ng Yuk Keung and Mr. Liu Ming, and one non-executive Director, namely Dr. Zhu Xiaorui. Mr. Ng Yuk Keung is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review the financial controls and the internal control and risk management systems of our Group, monitor the integrity of the Company's financial statements, review and monitor the external auditor's independence and objectivity and effectiveness of the audit process and perform other duties and responsibilities as assigned by our Board.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the Reporting Period.

The independent auditor of the Company, PricewaterhouseCoopers, has also reviewed the unaudited interim condensed consolidated financial statements of the Group for the Reporting Period in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the International Auditing and Assurance Standards Board.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CHANGES OF DIRECTORS' INFORMATION

Save as disclosed in this interim report, as at the date of this interim report, there were no changes in the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION

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

As of June 30, 2024, the interests or short positions of the Directors or the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had been 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 taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in the Shares or Underlying Shares of the Company

Name of Director	Nature of Interest	Number of Interested Shares ²	Approximate Percentage of Shareholding Interest ¹
Dr. Qiu	Interests held jointly with another person ³	97,082,430 (L)	21.53%
Dr. Zhu	Interests held jointly with another person ³	97,082,430 (L)	21.53%
Mr. Liu	Interests held jointly with another person ³	97,082,430 (L)	21.53%
Mr. Qiu	Beneficiary of a trust (other than a discretionary interest)	9,107,746 (L)	2.02%

1. The number of issued Shares as of June 30, 2024 was 450,939,423.

2. The letter "L" stands for long position.

3. Each of Dr. Qiu, Dr. Zhu and Mr. Liu (collectively as the "Founders") entered into the concert party confirmation dated April 21, 2023 to formalize and confirm that they have been parties acting in concert in exercising directors and shareholders' rights of our Group since the Founders become shareholders or directors of the relevant member of the Group (whichever is earlier). As such, each of Dr. Qiu, Dr. Zhu and Mr. Liu is deemed to be interested in the Shares held by other members of the Founders for the purpose of Part XV of the SFO.

Save as disclosed above, as of June 30, 2024, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

Substantial Shareholders' Interests and/or Short Position in Shares and Underlying Shares of the Company

As of June 30, 2024, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Substantial Shareholder	Nature of Interest	Number of Interested Shares ²	Approximate Percentage of Shareholding Interest ¹
BlackPearl Global Limited (" BlackPearl ") ³	Beneficial owner	49,367,683 (L)	10.95%
BlackPearl Investment Limited ³	Interest of controlled corporation	49,367,683 (L)	10.95%
Sunton Global Limited (" Sunton Global ") ³	Beneficiary of a trust (other than a discretionary interest)	49,367,683 (L)	10.95%
Dr. Qiu ^{3, 6}	Interests held jointly with another person	97,082,430 (L)	21.53%
Emerald Forest International Limited (" Emerald Forest ") ⁴	Beneficial owner	29,604,176 (L)	6.57%
Emerald Forest Investment Limited ⁴	Interest of controlled corporation	29,604,176 (L)	6.57%
Emerald Forest Holding Limited (" Emerald Forest Holding ") ⁴	Beneficiary of a trust (other than a discretionary interest)	29,604,176 (L)	6.57%
Dr. Zhu ^{4, 6}	Interests held jointly with another person	97,082,430 (L)	21.53%
Mr. Liu ⁶	Interests held jointly with another person	97,082,430 (L)	21.53%
TMF (Cayman) Ltd. ^{3, 4, 5}	Trustee	101,931,831 (L)	22.60%
Futu Trustee Limited ⁷	Trustee	30,660,751 (L)	6.80%
Cainiao Smart Logistics Investment Limited (" Cainiao ") ⁸	Beneficial owner	47,005,063 (L)	10.42%

OTHER INFORMATION

Name of Substantial Shareholder	Nature of Interest	Number of Interested Shares ²	Approximate Percentage of Shareholding Interest ¹
Cainiao Smart Logistics Network Limited ⁸	Interest of controlled corporation	47,005,063 (L)	10.42%
Ali CN Investment Holding Limited ⁸	Interest of controlled corporation	47,005,063 (L)	10.42%
Alibaba Group Holding Limited ⁸	Interest of controlled corporation	47,005,063 (L)	10.42%
China Renaissance Holdings Limited (“China Renaissance”) ⁹	Interest of controlled corporation	22,695,199 (L)	5.03%
CR Investments Corporation ⁹	Interest of controlled corporation	22,695,199 (L)	5.03%

1. The number of issued Shares as of June 30, 2024 was 450,939,423.

2. The letter “L” stands for long position.

3. BlackPearl is owned as to 99.9% by BlackPearl Investment Limited and 0.1% by Sunton Global. Sunton Global is wholly owned by Dr. Qiu. BlackPearl Investment Limited is held by TMF (Cayman) Ltd. acting as trustee of a trust, with Sunton Global and Dr. Qiu as beneficiaries. As such, each of Dr. Qiu, BlackPearl Investment Limited, Sunton Global and TMF (Cayman) Ltd. is deemed to be interested in the Shares held by BlackPearl for the purpose of Part XV of the SFO.

4. Emerald Forest is owned as to 99.9% by Emerald Forest Investment Limited and 0.1% by Emerald Forest Holding. Emerald Forest Holding is wholly owned by Dr. Zhu. Emerald Forest Investment Limited is held by TMF (Cayman) Ltd. acting as trustee of a trust, with Emerald Forest Holding and Dr. Zhu as beneficiaries. As such, each of Dr. Zhu, Emerald Forest Investment Limited, Emerald Forest Holding and TMF (Cayman) Ltd. is deemed to be interested in the Shares held by Emerald Forest for the purpose of Part XV of the SFO.

5. One of the ESOP Holding Entities, Ruby International Limited (“Ruby”), holding 4,849,401 Shares underlying the awards in the form of restricted shares granted to Mr. Qiu pursuant to pre-IPO share incentive scheme adopted by the Company on December 30, 2021 (the “Pre-IPO Share Incentive Scheme A”), is owned as to 99.9% by Ruby Group Holdings Limited and 0.1% by Sunton Limited, which is in turn wholly owned by Mr. Qiu. Ruby Group Holdings Limited is held by TMF (Cayman) Ltd. as the trustee of a trust, with Sunton Limited and Mr. Qiu as the beneficiaries. As such, TMF (Cayman) Ltd. is deemed to be interested in the Shares held by Ruby for the purpose of Part XV of the SFO.

6. Each of Dr. Qiu, Dr. Zhu and Mr. Liu 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 our Group since the Founders become shareholders or directors of the relevant member of the Group (whichever is earlier). As such, each of Dr. Qiu, Dr. Zhu and Mr. Liu is deemed to be interested in the Shares held by other members of the Founders for the purpose of Part XV of the SFO.

OTHER INFORMATION

7. Robust Limited (“**Robust**”) and Hoping Dream International Limited (“**Hoping Dream**”) are two of the ESOP Holding Entities, holding 13,450,225 Shares (being part of the Shares underlying the Pre-IPO Share Incentive Scheme A) and 17,210,526 Shares (being the Shares underlying the pre-IPO share incentive scheme adopted by the Company on December 30, 2021 (“**Pre-IPO Share Incentive Scheme B**”)), respectively. Each of Robust and Hoping Dream is indirectly controlled by Futu Trustee Limited acting as the trustee of a trust to hold the Shares on trust for the participants of the Pre-IPO Share Incentive Scheme A and the Pre-IPO Share Incentive Scheme B, respectively. As such, Futu Trustee Limited is deemed to be interested in the Shares held by Robust and Hoping Dream for the purpose of Part XV of the SFO.
8. Cainiao is wholly owned by Cainiao Smart Logistics Network Limited, which is a subsidiary of Ali CN Investment Holding Limited, which is in turn wholly owned by Alibaba Group Holding Limited. As such, each of Cainiao Smart Logistics Network Limited, Ali CN Investment Holding Limited and Alibaba Group Holding Limited is deemed to be interested in the Shares held by Cainiao for the purpose of Part XV of the SFO.
9. Golden Development Asia Limited is held as to over 70% by Huaxing Growth Capital IV, L.P., whose general partner is Huaxing Associates IV, Ltd., a wholly-owned subsidiary of CR Investments Corporation, which is in turn wholly owned by China Renaissance. The general partner of Huaxing Growth Capital III, L.P. is Huaxing Associates III L.P., whose general partner is Huaxing Associates GP III, Ltd., a wholly-owned subsidiary of CR Investments Corporation, which is in turn wholly owned by China Renaissance. As such, each of CR Investments Corporation and China Renaissance is deemed to be interested in the Shares held by each of Golden Development Asia Limited and Huaxing Growth Capital III, L.P., respectively for the purpose of Part XV of the SFO.

Save as disclosed above, as of June 30, 2024, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

POST-IPO SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the Post-IPO Share Incentive Scheme, which was adopted and approved by our Shareholders on June 29, 2023 (the “**Effective Date**”) and remains in force for a period of 10 years after the Effective Date.

(a) Purposes

The purposes of the Post-IPO Share Incentive Scheme are (i) to promote the success and enhance the value the Company by aligning the personal interests of the directors of members of the Group and the employees to those of the Shareholders and motivating their outstanding performance to promote the Group’s development and generate returns to the Shareholders; and (ii) to provide flexibility to the Company in its ability to motivate, attract, and retain the services of directors of members of the Group and the employees upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

OTHER INFORMATION

(b) Types of awards

The Post-IPO Share Incentive Scheme provides for an award of (i) a right to purchase a specified number of Shares at a specified price during specified time periods (the “**Option**”), (ii) a Share that is subject to certain restrictions and may be subject to risk of forfeiture (the “**Restricted Share**”) or (iii) a right to receive a Share at a future date (the “**Restricted Share Unit**”) (collectively, the “**Awards**”).

(c) Participants

Persons eligible to participate in the Post-IPO Share Incentive Scheme (the “**Participants**”) include: (i) any person, including an officer or member of the Board of any member of the Group, who is in the employ of any member of the Group, subject to the control and direction of any member of the Group as to both the work to be performed and the manner and method of performance (the “**Employees**”); and (ii) all directors of any member of the Group, as determined by the Board or a committee delegated by the Board pursuant to the Post-IPO Share Incentive Scheme.

(d) Maximum number of Shares

The maximum aggregate number of Shares which may be issued pursuant to all Awards (including Options) is 21,000,000 Shares (the “**Scheme Mandate Limit**”), representing approximately 4.66% of the Shares in issue as at the date of this interim report.

(e) Maximum entitlement of each Participant

Where any grant of awards or options to a Participant would result in the total number of Shares issued and to be issued in respect of all awards or options granted (excluding any options and awards lapsed in accordance with the terms of the Post-IPO Share Incentive Scheme or any other share schemes of the Company) under the Post-IPO Share Incentive Scheme and any other share schemes of the Company in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total number of Shares in issue, such grant must be separately approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules with such Participant and his/her close associate (or associates), if the Participant is a connected person (as defined under the Listing Rules), or such persons as may be required under the Listing Rules from time to time, abstaining from voting. The number and terms of Options to be granted to such Participant must be fixed before the approval of the Shareholders. In such event, the Company must send a circular to the Shareholders containing all information required under the Listing Rules.

(f) Performance target

The Board has the right to implement specific provisions (such as provisions on performance assessment) to determine whether or not unvested Awards can vest in favor of the Participants according to schedule or whether or not vested but unexercised Awards can be exercised by the Participants.

(g) Exercise price of an Option

The exercise price of an Option shall be determined by the Board and set forth in the written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium, entered into between the Company and a Participant and any amendment thereto (the “**Award Agreement**”).

The exercise price of an Option may be a fixed or variable price related to the fair market value of the Share provided that such exercise price shall be at least the higher of (1) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and (2) a price being the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) trading days immediately preceding the date of grant.

Notwithstanding the above, the exercise price per Share may be adjusted or amended in the absolute discretion of the Board to the extent permitted by the applicable laws (including the Listing Rules), the determination of which shall be final, binding and conclusive.

(h) Vesting schedule

Vesting period for Options

The Board may specify the exercise period and/or vesting schedule for Options granted in the Award Agreement, which may be based on performance criteria, passage of time or other factors of any combination thereof, provided that an Option must be held by the Participant for at least 12 months before the Option can be exercised, save for a shorter exercise period may be granted to the Participant in any of the following circumstances below at the sole discretion of the Board:

- i. grants of “make-whole” Options to new Employees to replace the share options or share awards they forfeited when leaving his or her previous employer;
- ii. grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- iii. grants that are made in batches during a year for administrative and compliance reasons;
- iv. grants with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months;
- v. grants with performance-based vesting conditions in lieu of time-based vesting criteria; or
- vi. grants of Options with a total vesting and holding period of more than 12 months.

OTHER INFORMATION**Vesting period for Restricted Shares and/or Restricted Share Units**

The Board may specify the vesting schedule for Restricted Shares and/or Restricted Share Units granted in the Award Agreement, which may be based on performance criteria, passage of time or other factors of any combination thereof, provided that the vesting period for Restricted Shares and/or Restricted Share Units shall not be less than 12 months, save for a shorter vesting period may be granted to the Participant in any of the following circumstances at the sole discretion of the Board:

- i. grants of “make-whole” Restricted Shares and/or Restricted Share Units to new Employees to replace the share options or share awards they forfeited when leaving his or her previous employer;
- ii. grants to a Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- iii. grants that are made in batches during a year for administrative and compliance reasons;
- iv. grants with a mixed or accelerated vesting schedule such as where the Restricted Shares and/or Restricted Share Units may vest evenly over a period of 12 months;
- v. grants with performance-based vesting conditions in lieu of time-based vesting criteria; or
- vi. grants of Restricted Shares and/or Restricted Share Units with a total vesting and holding period of more than 12 months.

(i) Non-transferability of the Awards

Any Awards granted shall be personal to the Participant, and no right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a subsidiary. Except as otherwise provided by the Board, no Award shall be assigned, transferred, or otherwise disposed of by a Participant.

(j) Grant to Connected Persons

Any grant of Awards to a connected person (as defined in the Listing Rules) of the Company or any of his or her associates (as defined in the Listing Rules) shall comply with and shall be approved in accordance with the applicable requirements under the Listing Rules.

(k) Expiration of Options, Restricted Shares and/or Restricted Share Units

- (i) An Option may not be exercised and (ii) a Restricted Share or a Restricted Share Unit may not be vested and will automatically lapse upon the occurrence of any one of the following events:
 - (1) the earlier of ten years from the date it is granted and listing of the Shares on a recognized stock exchange, unless an earlier time is set in the Award Agreement;

- (2) upon the Participant's termination of employment or retirement as an Employee or cessation, retirement or vacation of directorship as a director of any member of the Group (as the case may be);
- (3) upon the Participant's disability or death, subject to other requirements as provided under the Post-IPO Share Incentive Scheme; and
- (4) upon the Participant being convicted of any criminal offense involving his or her integrity or honesty, or charged, convicted or held liable for any offense under the relevant securities laws, regulations or rules in force from time to time in Hong Kong or elsewhere.

(I) Amendment, Modification and Termination

At any time and from time to time, the Board may terminate, amend or modify the Post-IPO Share Incentive Scheme; provided, however, that (a) to the extent necessary and desirable to comply with applicable laws, or stock exchange rules, the Company shall obtain shareholder approval of any amendment of the Post-IPO Share Incentive Scheme in such a manner and to such a degree as required, and (b) shareholder approval is required for any amendment to the Post-IPO Share Incentive Scheme that (i) increases the number of Shares available under the Post-IPO Share Incentive Scheme (other than any adjustment as provided under the Post-IPO Share Incentive Scheme) to the extent permitted under the applicable laws, (ii) permits the Board to extend the term of the Post-IPO Share Incentive Scheme or the exercise period for an Option beyond ten years from the date of grant to the extent permitted under the applicable laws, (iii) results in a material increase in benefits or a change in eligibility requirements, (iv) is of material nature to the advantage of the Participants, or (v) changes the authority of the Board to alter the terms of the Post-IPO Share Incentive Scheme.

Details of Grants under the Post-IPO Share Incentive Scheme

During the six months ended June 30, 2024, no Award has been granted, exercised, cancelled, lapsed or remained outstanding under the Post-IPO Share Incentive Scheme. The number of Awards available for grant under the Post-IPO Share Incentive Scheme at the beginning and the end of the financial period for the six months ended June 30, 2024 were both 21,000,000.

Subsequent to the Reporting Period, on July 5, 2024, the Company granted Restricted Share Units underlying a total of 216,607 Shares to eligible Participants, who are the employees of the Group, pursuant to the Post-IPO Share Incentive Scheme. The Shares underlying these Restricted Share Units shall vest on July 5, 2025 pursuant to the vesting schedule specified in the Award Agreement. The total vesting period in respect of each Award shall be 12 months. After such grant of Restricted Share Units and as of the Latest Practicable Date, 20,783,393 Shares are available for future grants under the Scheme Mandate Limit under the Post-IPO Share Incentive Scheme. For further details, please refer to the Company's announcement dated July 5, 2024.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

To the Board of Directors of RoboSense Technology Co., Ltd
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 36 to 79, which comprises the interim condensed consolidated balance sheet of RoboSense Technology Co., Ltd (the “**Company**”) and its subsidiaries (together, the “**Group**”) as of June 30, 2024 and the interim condensed consolidated statements of comprehensive income for the three-month and six-month periods then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Other Matter

The comparative information for the interim condensed consolidated balance sheet and related explanatory notes is based on the audited financial statements as of December 31, 2023. The comparative information for the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows, and related explanatory notes for the six-month period ended June 30, 2023 are based on the audited financial statements as of June 30, 2023. The comparative information for the interim condensed consolidated statement of comprehensive income and related explanatory notes, for the three-month period ended June 30, 2023 has not been audited or reviewed.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, August 15, 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended		Six months ended	
		June 30,		June 30,	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	6	366,125	184,149	727,094	329,048
Cost of sales	9	(312,054)	(165,520)	(628,541)	(316,296)
Gross profit		54,071	18,629	98,553	12,752
Research and development expenses	9	(164,789)	(171,130)	(313,352)	(246,394)
Sales and marketing expenses	9	(28,629)	(21,502)	(57,026)	(40,174)
General and administrative expenses	9	(43,955)	(136,232)	(82,247)	(170,515)
Net impairment (losses)/reversal on financial assets		(393)	(2,047)	1,031	(182)
Other income	7	21,512	8,920	34,910	14,987
Other losses — net	8	(694)	(41,552)	(3,939)	(31,966)
Operating loss		(162,877)	(344,914)	(322,070)	(461,492)
Finance income		27,070	19,384	55,656	36,657
Finance costs		(1,201)	(1,241)	(1,613)	(1,883)
Finance income — net		25,869	18,143	54,043	34,774
Share of net profit/(loss) of an associate accounted for using the equity method	15	1,669	(452)	4,843	(942)
Fair value changes in financial instruments issued to investors	23	—	(97,761)	(2,799)	(339,762)
Loss before income tax		(135,339)	(424,984)	(265,983)	(767,422)
Income tax expenses	11	(1,511)	(464)	(1,538)	(866)
Loss for the period		(136,850)	(425,448)	(267,521)	(768,288)
(Loss)/profit attributable to:					
Owners of the Company		(137,365)	(426,719)	(269,151)	(771,222)
Non-controlling interests		515	1,271	1,630	2,934
		(136,850)	(425,448)	(267,521)	(768,288)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended		Six months ended	
		June 30,		June 30,	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Other comprehensive income/(loss)					
<i>Items that may be reclassified to profit or loss</i>					
Currency translation differences		(124)	(12,861)	(1,719)	(12,140)
<i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		17,051	(263,751)	(10,196)	(198,690)
Fair value changes on convertible redeemable preferred shares and convertible notes due to own credit risk		—	(172)	—	(1,572)
Other comprehensive income/(loss), net of tax		16,927	(276,784)	(11,915)	(212,402)
Total comprehensive loss		(119,923)	(702,232)	(279,436)	(980,690)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(120,438)	(703,503)	(281,066)	(983,624)
Non-controlling interests		515	1,271	1,630	2,934
		(119,923)	(702,232)	(279,436)	(980,690)
Loss per share for loss attributable to the ordinary equity holders of the Company:					
Basic and diluted (expressed in RMB per share)	12	(0.31)	(4.40)	(0.62)	(7.94)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Restated, Audited)
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	13	270,922	268,084
Right-of-use assets		4,762	14,232
Intangible assets	14	55,623	51,545
Investment in an associate accounted for using the equity method	15	59,659	55,439
Financial assets at fair value through profit or loss	5(b)	34,197	30,000
Other non-current assets		35,891	25,464
		461,054	444,764
Current assets			
Inventories	16	184,511	199,211
Trade and notes receivables	17	455,170	678,265
Prepayments, other receivables and other current assets	18	105,055	91,638
Financial assets at fair value through other comprehensive income	5(b)	85,842	22,032
Restricted cash		9,130	9,130
Cash and cash equivalents	19	2,561,461	1,826,413
		3,401,169	2,826,689
Total assets		3,862,223	3,271,453
EQUITY			
Share capital	20(a)	312	86
Other reserves	20(b)	12,426,560	(56,719)
Accumulated losses	20(b)	(9,311,622)	(9,029,044)
Capital and reserves attributable to owners of the Company		3,115,250	(9,085,677)
Non-controlling interests		17,468	15,838
Total equity/(deficits)		3,132,718	(9,069,839)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Restated, Audited)
	Notes		
LIABILITIES			
Non-current liabilities			
Lease liabilities		432	1,159
Government grants		35,809	35,833
Other non-current liabilities		57,777	57,820
		94,018	94,812
Current liabilities			
Trade payables	24	373,717	490,202
Contract liabilities		25,545	16,940
Borrowings		—	1,003
Lease liabilities		4,411	14,362
Financial instruments issued to investors	23	—	11,449,687
Other payables and accruals	25	231,814	274,286
		635,487	12,246,480
Total liabilities		729,505	12,341,292
Total equity and liabilities		3,862,223	3,271,453

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The interim condensed consolidated financial information on pages 36 to 79 were approved by the Board of Directors on August 15, 2024 and were signed on its behalf.

Dr. Qiu Chunxin
Chairman of the Board and Executive Director

Mr. Qiu Chunchao
Executive Director and Chief Executive Officer

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Attributable to owners of the Company			Non-controlling interests	Total (deficits)/ equity	
		Share capital	Other reserves	Accumulated losses			
		RMB'000	RMB'000	RMB'000			
				Total	RMB'000	RMB'000	
		(Note 20(a))	(Note 20(b))	(Note 20(b))			
(Unaudited)							
As of January 1, 2024		86	(56,719)	(9,029,044)	(9,085,677)	15,838	(9,069,839)
(Loss)/profit for the period		—	—	(269,151)	(269,151)	1,630	(267,521)
Other comprehensive (loss)/ income, net of tax:							
Currency translation differences		—	(11,915)	—	(11,915)	—	(11,915)
Total comprehensive (loss)/income		—	(11,915)	(269,151)	(281,066)	1,630	(279,436)
Transactions with owners in their capacity as owners:							
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	20(a)	18	920,446	—	920,464	—	920,464
Employee share scheme:							
— value of employee services		—	62,559	—	62,559	—	62,559
— vesting of restricted shares and restricted share units (“RSUs”)		—	13,827	—	13,827	—	13,827
Conversion of convertible redeemable preferred shares to ordinary shares	20(a)	208	11,498,878	(13,943)	11,485,143	—	11,485,143
Total transactions with owners in their capacity as owners		226	12,495,710	(13,943)	12,481,993	—	12,481,993
Reversal of safety reserves		—	(516)	516	—	—	—
As of June 30, 2024		312	12,426,560	(9,311,622)	3,115,250	17,468	3,132,718

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Notes	Share	Other	Accumulated	Total	Non-	Total
		capital	reserves	losses		controlling	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		(Note 20(a))	(Note 20(b))	(Note 20(b))			
(Audited)							
As of January 1, 2023		81	(355,509)	(4,692,005)	(5,047,433)	10,175	(5,037,258)
(Loss)/profit for the period		—	—	(771,222)	(771,222)	2,934	(768,288)
Other comprehensive (loss)/ income, net of tax:							
Fair value changes on convertible redeemable preferred shares and convertible notes due to own credit risk	23(a)	—	(1,572)	—	(1,572)	—	(1,572)
Currency translation differences		—	(210,830)	—	(210,830)	—	(210,830)
Total comprehensive (loss)/income		—	(212,402)	(771,222)	(983,624)	2,934	(980,690)
Transactions with owners in their capacity as owners:							
Modification of convertible redeemable preferred shares		—	(106)	106	—	—	—
Issuance of treasury shares to Employee Stock Ownership Plans ("ESOP")	20(a)	5	(5)	—	—	—	—
Employee share scheme — value of employee services		—	165,683	—	165,683	—	165,683
Total transactions with owners in their capacity as owners		5	165,572	106	165,683	—	165,683
Appropriation to safety reserves		—	280	(280)	—	—	—
As of June 30, 2023		86	(402,059)	(5,463,401)	(5,865,374)	13,109	(5,852,265)

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended June 30,	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Cash flows from operating activities			
Cash used in operations		(169,851)	(308,597)
Interest received		55,656	36,657
Interest paid		(1,488)	(613)
Income taxes paid		(27)	(1,284)
Net cash used in operating activities		(115,710)	(273,837)
Cash flows from investing activities			
Purchase of property, plant and equipment		(49,983)	(51,465)
Proceeds from disposal of property, plant and equipment		270	23
Receipt of government grants related to assets		2,845	12,539
Purchase of intangible assets		(7,797)	(6,832)
Purchase of financial assets at fair value through profit or loss	5(b)	—	(107,000)
Proceeds from disposal of financial assets at fair value through profit or loss	5(b)	—	415,655
Purchase of time deposits		(20,000)	(84,677)
Proceeds from maturity of time deposits		—	83,423
Interest received from time deposits		—	1,250
Net cash (used in)/generated from investing activities		(74,665)	262,916

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash flows from financing activities		
Proceeds from issuance of financial instruments to investors	—	850,250
Proceeds from an employee for granting restricted share units	—	3,588
Repayment of financing deposits in advance	—	(850,250)
Repurchase of restricted shares	—	(12,292)
Principal elements of lease payments	(7,243)	(8,963)
Principal elements of license fees payable	(5,229)	—
Proceeds from issuance of ordinary shares relating to the initial public offering (“IPO”)	963,370	—
Payments for listing expenses	(39,074)	(825)
Net cash generated from/(used in) financing activities	911,824	(18,492)
Net increase/(decrease) in cash and cash equivalents	721,449	(29,413)
Cash and cash equivalents at the beginning of the period	1,826,413	2,071,381
Effects of exchange rate changes on cash and cash equivalents	13,599	69,663
Cash and cash equivalents at the end of the period	2,561,461	2,111,631

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) are 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, (iii) services, collectively referred to as the “**Listing Business**” in the PRC.

Suteng Innovation Technology Co., Ltd. (“**Shenzhen Suteng**”) was incorporated in the People’s Republic of China (the “**PRC**”) in August 2014, the Listing Business of the Group was mainly carried out by Shenzhen Suteng and its subsidiaries. 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**”.

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’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since January 5, 2024.

This interim condensed consolidated financial information comprises the interim condensed consolidated balance sheet of the Group as of June 30, 2024, the interim condensed consolidated statements of comprehensive income for the three-month and six-month periods then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (the “**Interim Financial Information**”).

This Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated. This Interim Financial Information has been approved for issue by the board of directors on August 15, 2024.

This Interim Financial Information has not been audited but has been reviewed by the independent auditor of the Company.

2 Basis of preparation

The Interim Financial Information has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting”. The Interim Financial Information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2023 as set out in the annual report of the Company, which have been prepared in accordance with International Financial Reporting Accounting Standards (“**IFRS**”).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 Material accounting policy information

The accounting policies applied in the preparation of the Interim Financial Information are consistent with those of the annual consolidated financial statements of the Group for the year ended December 31, 2023, except for the adoption of new and amended IFRS effective for the financial period beginning on January 1, 2024.

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the financial period beginning on January 1, 2024:

Amendments	Subject of Amendments
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 1 (Note (i))	Classification of Liabilities as Current or Non-current
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

- (i) According to the Amendments to IAS 1 — Classification of Liabilities as Current or Non-current effective since January 1, 2024, the financial instruments issued to investors is expected to be classified as a 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.

Due to the abovementioned change in the Group's accounting policy on financial instruments issued to investors, the preferred shares have been reclassified as a current liability retrospectively by restating the balances as of December 31, 2023 as follows:

	As previously reported	Effect of change in accounting policy	As restated
	RMB'000	RMB'000	RMB'000
As of December 31, 2023			
Financial instruments issued to investors — current	10,050,724	1,398,963	11,449,687
Financial instruments issued to investors — non-current	1,398,963	(1,398,963)	—

Other than the Amendment to IAS 1 — Classification of Liabilities as Current or Non-current, the adoption of above amendments does not have material impact on the results and financial position of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 Material accounting policy information (Continued)**(b) New and amended standards and interpretations not yet adopted by the Group**

Certain amendments to standards have been issued but are not yet effective and have not been early adopted by the Group during the period. According to the assessment made by the director, these amendments are not expected to have a material impact on the Group when they become effective.

Amendments	Subject of amendments	Effective for accounting periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

4 Critical accounting estimates and judgments

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual report.

5 Financial risk management**(a) Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

The Group's policies on financial risk management were set out in the annual report and there have been no significant changes in the financial risk management policies for the six months ended June 30, 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5 Financial risk management (Continued)**(b) Fair value estimation**

The Group analyzes its financial instruments' fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value.

	Level 3
	RMB'000
As of June 30, 2024 (Unaudited)	
Assets	
Financial assets at FVOCI	85,842
Financial assets at FVPL	34,197
	120,039
As of December 31, 2023 (Audited)	
Assets	
Financial assets at FVOCI	22,032
Financial assets at FVPL	30,000
	52,032
Liabilities	
Financial instruments issued to investors (Note 23)	11,449,687

The changes in level 3 instruments of financial instruments issued to investors for the six months ended June 30, 2024 and 2023 are presented in the Note 23.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5 Financial risk management (Continued)

(b) Fair value estimation (Continued)

The following table presents the changes in level 3 items of financial assets at FVOCI and financial assets at FVPL six months ended June 30, 2024 and 2023.

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Financial assets at FVOCI		
At the beginning of the period	22,032	2,469
Additions	359,803	8,384
Disposals	(295,993)	(10,853)
At the end of the period	85,842	—
Financial assets at FVPL		
At the beginning of the period	30,000	337,859
Additions	—	107,000
Disposals	—	(415,655)
Change in fair value	4,197	796
At the end of the period	34,197	30,000
Net unrealized gains for the period	4,197	—

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included financial instruments issued to investors (Note 23), financial assets at FVOCI and financial assets at FVPL. As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including:

- For financial assets measured at FVPL or FVOCI, discounted cash flow model is used and unobservable inputs are involved, mainly including assumptions of expected future cash flows and discount rate; and
- For the valuation of financial instruments issued to investors, equity allocation model is used and significant unobservable inputs are involved, including discount rate for lack of marketability (“DLOM”), expected volatility, risk-free interest rate, terminal growth rate, etc.

There was no change to valuation techniques during the six months ended June 30, 2024 and 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 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 chief operating decision-maker ("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:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from:				
PRC	355,867	175,871	700,301	294,244
US	3,490	1,600	5,633	20,812
Others	6,768	6,678	21,160	13,992
	366,125	184,149	727,094	329,048

As of June 30, 2024 and December 31, 2023, substantially all of the non-current assets of the Group were located in the PRC.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 Revenue and segment information (Continued)**(b) Disaggregation of revenue**

The breakdown of revenue for the three and six months ended June 30, 2024 and 2023 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from:				
Products				
For ADAS	303,176	75,278	609,035	146,910
For robotics and others	38,236	44,880	77,482	87,962
	341,412	120,158	686,517	234,872
Solutions	20,277	31,039	35,663	60,654
Services and others	4,436	32,952	4,914	33,522
	366,125	184,149	727,094	329,048

Timing of revenue recognition for the three and six months ended June 30, 2024 and 2023 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue recognized at a point in time	366,125	184,146	727,090	328,996
Revenue recognized over time	—	3	4	52
	366,125	184,149	727,094	329,048

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7 Other income

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Government grants	18,065	6,526	29,229	10,442
Value added tax ("VAT") refund	3,447	1,311	5,681	2,612
Interest income from time deposits	—	1,083	—	1,933
	21,512	8,920	34,910	14,987

8 Other losses — net

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net fair value gains on financial assets at FVPL	4,197	—	4,197	796
Net foreign exchange losses	(5,836)	(40,970)	(7,160)	(32,234)
Others	945	(582)	(976)	(528)
	(694)	(41,552)	(3,939)	(31,966)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9 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:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Changes in inventories of finished goods and work in progress	43,606	5,548	(1,824)	(28,663)
Raw materials and consumables used	216,276	87,913	535,231	228,395
Employee benefit expenses (Note 10)	175,796	311,908	360,347	424,852
Depreciation and amortization	29,783	23,310	56,117	38,428
Design and development expenses	26,664	13,840	35,270	15,814
Inventory provision (Note 16(c))	17,594	9,580	24,381	30,923
Travel, office and freight expenses	13,528	8,547	22,530	15,015
Professional service fees	7,982	3,009	10,706	5,032
Warranty expenses	5,793	3,466	12,788	4,288
Advertising and promotion costs	3,045	867	6,301	2,025
Variable license fees	1,188	815	2,165	1,708
Listing expenses	—	13,355	26	19,195
Audit remuneration				
— Audit service	3,954	248	6,194	281
— Non-audit service	—	—	161	—
Other expenses (Note (a))	4,218	11,978	10,773	16,086
	549,427	494,384	1,081,166	773,379

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10 Employee benefit expenses

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Wages, salaries and bonuses	133,701	129,814	254,382	226,073
Share-based compensation expenses (Note 22)	18,795	165,683	62,559	165,683
Pension costs – defined contribution plans, housing funds, medical insurances and other social insurances (Note (a))	17,534	13,412	33,379	26,186
Other employee benefits (Note (b))	5,766	2,999	10,027	6,910
	175,796	311,908	360,347	424,852

(a) Pension costs — defined contribution plans, housing funds, medical insurances and other social insurances

Full time employees of the Group in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension costs — defined contribution plans, housing funds, medical insurances and other social insurances to fund the benefits. The Group's liabilities in respect of benefits schemes are limited to the contribution payable in each year.

No forfeited contributions were utilized during the three and six months ended June 30, 2024 and 2023 to offset the Group's contribution to the abovementioned retirement benefit schemes.

(b) Other employee benefits

Other employee benefits mainly include termination benefits, team building expenses, meal and traveling allowances.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11 Income tax expenses

The income tax expenses of the Group for the three and six months ended June 30, 2024 and 2023 are analyzed as below:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Current income tax	1,511	464	1,538	866
Deferred income tax	—	—	—	—
	1,511	464	1,538	866

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

12 Loss per share**(a) Basic loss per share**

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Loss attributable to ordinary equity holders of the Company (RMB'000)	(137,365)	(426,719)	(269,151)	(771,222)
Weighted average number of ordinary shares outstanding	441,990,996	97,082,430	433,738,117	97,082,430
Basic loss per share (in RMB)	(0.31)	(4.40)	(0.62)	(7.94)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12 Loss per share (Continued)**(b) Diluted loss 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 three months ended June 30, 2024, the Company had one category of potential ordinary shares: share-based awards granted to employees (2023: categories of potential ordinary shares: preferred shares and share-based awards granted to employees). For the six months ended June 30, 2024, the Company had one category of potential ordinary shares: share-based awards granted to employees (2023: categories of potential ordinary shares: preferred shares and share-based awards granted to employees). As the Company incurred losses for the three and six months ended June 30, 2024, these potential ordinary shares were not included in the calculation of loss per share as their inclusion would be anti-dilutive (2023: the same). Accordingly, diluted loss per share is the same as basic loss per share for the three and six months ended June 30, 2024 (2023: the same).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13 Property, plant and equipment

	Machinery and equipment RMB'000	Mold and tooling RMB'000	Computer, electronic equipment and others RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At January 1, 2024							
Cost	137,146	22,377	74,989	7,039	66,195	61,798	369,544
Accumulated depreciation	(26,969)	(5,262)	(23,005)	(2,474)	(43,750)	—	(101,460)
Net book amount	110,177	17,115	51,984	4,565	22,445	61,798	268,084
Six months ended June 30, 2024 (Unaudited)							
Opening net book amount	110,177	17,115	51,984	4,565	22,445	61,798	268,084
Additions	5,827	8,310	2,129	3,855	4,109	22,580	46,810
Disposals	(647)	(1,145)	(283)	—	—	(15)	(2,090)
Transfers	12,116	—	19,009	—	128	(31,253)	—
Foreign currency translation adjustments	—	—	2	1	—	—	3
Depreciation charge	(10,500)	(3,766)	(11,233)	(1,039)	(15,347)	—	(41,885)
Closing net book amount	116,973	20,514	61,608	7,382	11,335	53,110	270,922
At June 30, 2024 (Unaudited)							
Cost	153,238	29,091	95,420	10,848	70,432	53,110	412,139
Accumulated depreciation	(36,265)	(8,577)	(33,812)	(3,466)	(59,097)	—	(141,217)
Net book amount	116,973	20,514	61,608	7,382	11,335	53,110	270,922

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13 Property, plant and equipment (Continued)

	Machinery and equipment RMB'000	Mold and tooling RMB'000	Computer, electronic equipment and others RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At January 1, 2023							
Cost	76,429	8,584	28,726	3,724	57,247	79,180	253,890
Accumulated depreciation	(13,784)	(2,322)	(10,520)	(1,398)	(17,800)	—	(45,824)
Net book amount	62,645	6,262	18,206	2,326	39,447	79,180	208,066
Six months ended June 30, 2023							
(Audited)							
Opening net book amount	62,645	6,262	18,206	2,326	39,447	79,180	208,066
Additions	9,945	1,463	30,882	1,816	6,058	21,246	71,410
Disposals	(337)	(17)	(292)	—	—	(469)	(1,115)
Transfers	6,854	1,333	9,982	—	2,710	(20,879)	—
Foreign currency translation adjustments	—	—	4	7	—	—	11
Depreciation charge	(6,003)	(1,308)	(4,455)	(388)	(12,129)	—	(24,283)
Closing net book amount	73,104	7,733	54,327	3,761	36,086	79,078	254,089
At June 30, 2023 (Audited)							
Cost	92,745	11,340	68,444	5,551	65,646	79,078	322,804
Accumulated depreciation	(19,641)	(3,607)	(14,117)	(1,790)	(29,560)	—	(68,715)
Net book amount	73,104	7,733	54,327	3,761	36,086	79,078	254,089

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14 Intangible assets

	Software RMB'000	Patent RMB'000	License rights RMB'000	Total RMB'000
As of January 1, 2024				
Cost	36,903	3,000	35,211	75,114
Accumulated amortization	(11,296)	(1,188)	(11,085)	(23,569)
Net book amount	25,607	1,812	24,126	51,545
Six months ended June 30, 2024 (Unaudited)				
Opening net book amount	25,607	1,812	24,126	51,545
Additions	12,174	—	—	12,174
Amortization charge	(5,990)	(150)	(1,956)	(8,096)
Closing net book amount	31,791	1,662	22,170	55,623
As of June 30, 2024 (Unaudited)				
Cost	49,078	3,000	35,210	87,288
Accumulated amortization	(17,287)	(1,338)	(13,040)	(31,665)
Net book amount	31,791	1,662	22,170	55,623
As of January 1, 2023				
Cost	25,327	3,000	35,211	63,538
Accumulated amortization	(3,234)	(888)	(7,173)	(11,295)
Net book amount	22,093	2,112	28,038	52,243
Six months ended June 30, 2023 (Audited)				
Opening net book amount	22,093	2,112	28,038	52,243
Additions	2,086	—	—	2,086
Amortization charge	(3,776)	(150)	(1,956)	(5,882)
Closing net book amount	20,403	1,962	26,082	48,447
As of June 30, 2023 (Audited)				
Cost	27,413	3,000	35,211	65,624
Accumulated amortization	(7,010)	(1,038)	(9,129)	(17,177)
Net book amount	20,403	1,962	26,082	48,447

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

15 Investment in an associate accounted for using the equity method

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Investment in an associate		
At the beginning of the period	55,439	—
Addition (Note (i))	—	49,000
Share of net profit/(loss) (Note (a))	4,220	(942)
At the end of the period	59,659	48,058

- (i) As of June 30, 2024, the Group has interests in an associate, Dongguan Luxsense Innovation Electronics Co., Ltd (“**Luxsense**”), that are accounted for using the equity method.

In February 2023, Shenzhen Suteng invested in Luxsense. The paid-in capital of Luxsense is RMB100,000,000. Shenzhen Suteng owns 49% equity interest of Luxsense and has significant influence over Luxsense through its shareholding of Luxsense.

Luxsense is a manufacturer of modules. The country of incorporation in the PRC is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

The amounts recognised in the interim condensed consolidated statement of comprehensive income are as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Share of net profit/(loss) of an associate accounted for using the equity method (Note (ii))	4,843	(942)
Elimination of unrealised profit from upstream transactions for the period (Note (ii))	623	—

- (ii) Unrealised profits or losses resulting from upstream transactions are eliminated. For the six months ended June 30, 2024, net realised profit resulting from upstream transactions are recognised in the share of net profit/(loss) of an associate accounted for using the equity method.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

**15 Investment in an associate accounted for using the equity method
(Continued)****(a) Summarized financial information for Luxsense**

Set out below is the Group's share of Luxsense's result.

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Net profit/(loss)	4,220	(942)
Other comprehensive income	—	—
Total comprehensive income/(loss)	4,220	(942)

(b) Reconciliation to carrying amount of the investment in an associate

	As of June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Opening net assets as of December 31, 2023 and February 27, 2023 of the investee	89,106	75,966
Total comprehensive income for the period	8,613	(1,922)
Closing net assets	97,719	74,044
Group's share in %	49%	49%
Group's share of net assets in RMB	47,883	36,282
Adjustment for notional goodwill	11,776	11,776
Carrying amount	59,659	48,058

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16 Inventories

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Raw materials (Note (a))	62,517	72,315
Work-in-progress (Note (a))	31,124	101,144
Finished goods (Note (b))	113,355	77,361
Fulfillment cost	13,963	11,756
	220,959	262,576
Less: provision for inventories (Note (c))	(36,448)	(63,365)
	184,511	199,211

- (a) Raw materials and work-in-progress primarily consist of materials mainly for volume production.
- (b) Finished goods primarily consist of products that are ready for sale at production factories or in transit to fulfil customer orders.
- (c) Provision for inventories is recognized for the amount by which the carrying amount of the inventories exceeds the net recoverable amount, and is recorded in cost of sales in the interim condensed consolidated statement of comprehensive income. The provision for inventories recognized for six months ended June 30, 2024 amounted to RMB24,381,000 (six months ended June 30, 2023: RMB30,923,000).
- (d) The cost of inventories recognized as cost of sales for six months ended June 30, 2024 amounted to RMB533,407,000 (six months ended June 30, 2023: RMB313,791,000).
- (e) As of June 30, 2024 and December 31, 2023, no inventories were pledged as collaterals.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

17 Trade and notes receivables

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Trade receivables	378,826	672,426
Notes receivables	84,478	15,004
	463,304	687,430
Less: credit loss allowances	(8,134)	(9,165)
	455,170	678,265

As of June 30, 2024 and December 31, 2023, the ageing analysis of the trade and notes receivables based on recognition date is as follows:

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Up to 6 months	421,050	638,404
6 months to 1 year	21,149	29,844
1 to 2 years	15,176	15,318
Over 2 years	5,929	3,864
	463,304	687,430
Less: Credit loss allowances	(8,134)	(9,165)
Trade receivables — net	455,170	678,265

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

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18 Prepayments, other receivables and other current assets

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Other receivables		
— Deposits	5,737	5,868
— Withholding individual income tax	1,539	1,547
— Others	4,716	3,365
	11,992	10,780
Prepayments for		
— Products and services procurement (Note (a))	19,020	14,842
— Deferred listing expenses	—	8,135
	19,020	22,977
VAT recoverable	67,547	51,097
Right to returned goods (Note (b))	6,496	3,992
Others	—	2,792
	105,055	91,638

(a) Prepayments for products and services procurement primarily consisted of prepayments for raw materials, exhibition fees, consulting and other services to be provided by suppliers.

(b) Right to returned goods were recognized for the products expected to be returned or exchanged within one year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19 Cash and cash equivalents

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Cash at banks	522,044	395,573
Time deposits with initial terms within three months	2,039,417	1,430,840
	2,561,461	1,826,413

Cash and cash equivalents were denominated in the following currencies:

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
RMB	317,286	255,598
USD	1,602,225	1,570,613
HKD	641,231	3
EUR	719	199
	2,561,461	1,826,413

As of June 30, 2024 and December 31, 2023, the Group's cash and cash equivalents includes cash at banks, time deposits with initial terms of three months or less.

The weighted average effective interest rate on bank deposits of the Group with initial terms within three months as of June 30, 2024 and December 31, 2023 was 4.93% and 5.32% per annum, respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20 Share capital and reserves**(a) Share capital**

	Number of ordinary shares	Equivalent nominal value of ordinary share USD'000	Share capital RMB'000
Issued:			
As of January 1, 2024	132,592,582	14	86
Issuance relating to initial public offering (Note (i))	24,637,500	2	18
Conversion of Preferred Shares to ordinary shares (Note (ii))	293,709,341	29	208
As of June 30, 2024	450,939,423	45	312
As of January 1, 2023	125,708,372	13	81
Issuance of ordinary shares to ESOP	6,884,210	1	5
As of June 30, 2023	132,592,582	14	86

- (i) In January 2024, the Company successfully completed its Hong Kong public offering and international offering (“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. Netting off underwriting commissions and other issuance costs through equity with amount of RMB42,906,000, the Group received RMB920,464,000. Excluding the par value, the amount was recorded as share premium.
- (ii) All the 293,709,341 convertible redeemable preferred shares of the Company were converted into 293,709,341 ordinary shares at offering price HK\$43 per share upon the completion of Global Offering and were reclassified from liabilities to equity accordingly. The difference between HK\$43 and the par value of each share were capitalized as share premium. In addition, the cumulative fair value changes on convertible redeemable preferred shares due to own credit risk were transferred from other reserve to accumulated losses on the same date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20 Share capital and reserves (Continued)

(b) Reserves movement of the Group

Note	Treasury	Share	Capital	Share-based	Own credit	Foreign	Safety	Accumulated		Total
	shares	premium	reserve	compensation	risk reserve	currency	reserve	Subtotal	losses	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)										
At January 1, 2024	(23)	—	(67,112)	396,905	(13,943)	(373,062)	516	(56,719)	(9,029,044)	(9,085,763)
Loss for the period	—	—	—	—	—	—	—	—	(269,151)	(269,151)
Currency translation differences	—	—	—	—	—	(11,915)	—	(11,915)	—	(11,915)
Employee share scheme:										
— value of employee services	22	—	—	62,559	—	—	—	62,559	—	62,559
— vesting of restricted shares and RSUs	17	384,786	—	(370,976)	—	—	—	13,827	—	13,827
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	20(a)	920,446	—	—	—	—	—	920,446	—	920,446
Conversion of convertible redeemable preferred shares to ordinary shares	20(a)	—	11,484,935	—	—	13,943	—	11,498,878	(13,943)	11,484,935
Reversal of safety reserves		—	—	—	—	—	(516)	(516)	516	—
At June 30, 2024	(6)	12,790,167	(67,112)	88,488	—	(384,977)	—	12,426,560	(9,311,622)	3,114,938

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20 Share capital and reserves (Continued)

(b) Reserves movement of the Group (Continued)

	Treasury	Capital	Share-based	Own	Foreign	Safety	Accumulated		
Note	shares	reserve	compensation	credit risk	currency	reserve	Subtotal	losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	translation	RMB'000	RMB'000	RMB'000	RMB'000
			reserve	reserve	reserve				
(Audited)									
At January 1, 2023	(18)	(67,112)	19,925	(9,974)	(298,330)	—	(355,509)	(4,692,005)	(5,047,514)
Loss for the period	—	—	—	—	—	—	—	(771,222)	(771,222)
Fair value changes on convertible redeemable preferred shares and convertible notes due to own credit risk	23(a)	—	—	(1,572)	—	—	(1,572)	—	(1,572)
Currency translation differences	—	—	—	—	(210,830)	—	(210,830)	—	(210,830)
Modification of convertible redeemable preferred shares	—	—	—	(106)	—	—	(106)	106	—
Issuance of treasury shares to ESOP	20(a)	(5)	—	—	—	—	(5)	—	(5)
Employee share scheme — value of employee services	—	—	165,683	—	—	—	165,683	—	165,683
Appropriation to safety reserves	—	—	—	—	—	280	280	(280)	—
At June 30, 2023	(23)	(67,112)	185,608	(11,652)	(509,160)	280	(402,059)	(5,463,401)	(5,865,460)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21 Dividends

No dividends have been paid or declared by the Company during the six months ended June 30, 2024 (six months ended June 30, 2023: Nil).

22 Share-based compensation

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Share-based compensation expenses-related to ESOP	18,795	165,683	62,559	165,683

A Limited Liability Partnership (“**ESOP LLP**”), was established in August 2015 and holds ordinary shares of Shenzhen Suteng on behalf of Shenzhen Suteng for the purpose of ESOP. In May 2021, Shenzhen Suteng approved a share incentive plan (“**Suteng ESOP**”) to grant certain amounts of equity interests in the ESOP LLP to certain directors, executive officers and employees with vesting commencement date in December 2020. The awards include both service conditions and the occurrence of a qualified IPO as performance conditions. All of the RSUs shall become vested 36 months post the occurrence of a qualified IPO. Employees are required to provide continued services through the occurrence of a qualified IPO in order to retain the award.

During the Reorganization, the pre-IPO share incentive scheme A (the “**ESOP A scheme**”) and the pre-IPO share incentive scheme B (the “**ESOP B scheme**”) have been established and approved pursuant to the Shareholders’ resolutions dated on December 30, 2021. On December 31, 2021, the Company issued 18,299,626 equity shares in proportion to ESOP LLP’s equity interests holding in Shenzhen Suteng. On the same day, the Company issued 17,210,526 shares for another new share incentive plan.

In addition, a post-IPO share incentive scheme (“**ESOP C scheme**”) was approved pursuant to the Shareholders’ resolutions dated on October 27, 2022.

The Group’s ESOP platforms of the share incentive plans were designed and operated to grant equity interests in the form of restricted shares and RSUs with certain service conditions and/or performance conditions to eligible employees. Once the vesting conditions for the underlying restricted shares and RSUs are met, the shares will be released or exchanged to employees. The Group accounts for such awards in accordance with IFRS 2, Share-based payments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

22 Share-based compensation (Continued)**(a) ESOP A scheme**

Movements in the number of equity awards granted under ESOP A scheme, after giving effect to the share subdivision and on an as if basis, are as follows:

	Number of restricted shares	Number of RSUs	Total number of equity awards	Weighted average grant date fair value RMB
(Unaudited)				
Outstanding as of January 1, 2024	13,450	18,286,176	18,299,626	10.37
Vested during the period	(13,450)	(17,936,926)	(17,950,376)	10.06
Outstanding as of June 30, 2024	—	349,250	349,250	19.22
(Audited)				
Outstanding as of January 1, 2023	13,450	14,979,847	14,993,297	6.46
Granted during the period (Notes (i), (ii))	—	2,358,985	2,358,985	21.57
Outstanding as of June 30, 2023	13,450	17,338,832	17,352,282	8.51

- (i) In January 2023, the Company granted 299,000 RSUs under the platforms of ESOP A scheme to an employee at a consideration of RMB12.00 per share, with four years' service conditions and the occurrence of an IPO as performance conditions. The difference of RMB2,861,000 between total consideration and the grant date fair value would be recognized over the vesting period.

If the employee leaves the Group during the vesting period, the prepayment for the non-vested portion will be refunded. The Group recorded the cash received by the Group as other payables and accruals and would transfer the portion to equity account upon vesting of each tranche. As of June 30, 2024 and December 31, 2023, the payables in relation to these grants (Note 25(a)(i)) amounted to RMB4,566,000 and RMB7,338,000, respectively.

- (ii) In January 2023, the Group granted another 2,059,985 RSUs under the platforms of ESOP A scheme to an eligible employee at nil consideration, with the occurrence of a qualified IPO as performance condition.

Since the IPO has become probable in June 2023 and the IPO was completed on January 5, 2024, an expense of RMB4,672,000 were recognized during the six months ended June 30, 2024 (six months ended June 30, 2023: RMB99,792,000). The remaining expenses amounting to RMB1,012,000 is expected to be recognized for the future service over a weighted average period of 1.80 year since June 30, 2024, taking into consideration the projected forfeiture rate. The vesting period varied from 0.18 year to 4.00 years based on the IPO date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

22 Share-based compensation (Continued)**(b) ESOP B scheme**

Movements in the number of equity awards granted under ESOP B scheme, after giving effect to the share subdivision and on an as if basis, are as follows:

	Number of restricted shares	Number of RSUs	Total number of equity awards	Weighted average grant date fair value RMB
(Unaudited)				
Outstanding as of January 1, 2024	17,210	14,898,579	14,915,789	23.44
Vested during the period	(17,210)	(8,622,701)	(8,639,911)	22.66
Forfeited during the period	—	(116,337)	(116,337)	18.72
Outstanding as of June 30, 2024	—	6,159,541	6,159,541	24.62
(Audited)				
Outstanding as of January 1, 2023	17,210	2,001,945	2,019,155	13.43
Granted during the period (Notes (i), (ii))	—	6,275,445	6,275,445	21.57
Forfeited during the period	—	(26,502)	(26,502)	14.70
Outstanding as of June 30, 2023	17,210	8,250,888	8,268,098	19.60

- (i) In January 2023, 214,713 RSUs with only performance conditions to be vested immediately upon the consummation of a qualified IPO were granted under a platform of ESOP B scheme to eligible employees, who agreed on the cancellation of their outstanding bonus amounting to RMB7,916,000 for the year ended December 31, 2022 in exchange for the RSUs granted.

As a result, the consideration of the RSUs granted were equal to the amount of the bonus payable cancelled. As such, the Group has recorded the consideration of the RSUs as liability in relation to ESOP (Note 25) and expects to transfer it from liability to equity upon vesting on the completion date of a qualified IPO. If the eligible employees leave the Group prior to the consumption of a qualified IPO, the consideration which is equal to the bonus payable will be paid back to the eligible employees in cash and the RSUs granted will be forfeited concurrently. As of June 30, 2024 and December 31, 2023, the payables in relation to these repurchase obligations (Note 25(a)(ii)) amounted to nil and RMB11,244,000, respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

22 Share-based compensation (Continued)**(b) ESOP B scheme (Continued)**

- (ii) In January 2023, another 6,060,732 RSUs were granted under a platform of ESOP B scheme to eligible employees at nil consideration for their future services from the grant date. The equity shares include both service conditions and the occurrence of an IPO as performance conditions.

Since the IPO has become probable in June 2023 and the IPO was completed on January 5, 2024, an expense of RMB57,887,000 were recognized during the six months ended June 30, 2024 (six months ended June 30, 2023: RMB65,891,000). The remaining expenses amounting to RMB76,515,000 is expected to be recognized for the future service over a weighted average period of 1.46 years since June 30, 2024, taking into consideration the projected forfeiture rate. The vesting period varied from 0.18 year to 4.28 years based on the IPO date.

- (c) The discounted cash flow method and back-solve method were used to determine the underlying equity fair value of the Company and the fair value of the restricted shares and RSUs granted or shares transfer among shareholders. The key assumptions into the model other than the underlying equity fair value of the Company at the date of grant were as follows:

Grant date	Discount rate	DLOM	Expected volatility	Risk-free interest rate	Terminal growth rate
January 3, 2023	19.00%	10.00%	53.91%	1.81%	2.00%
January 13, 2023	19.00%	10.00%	53.91%	1.81%	2.00%
January 20, 2023	19.00%	10.00%	53.91%	1.81%	2.00%
October 20, 2023	19.00%	5.00%	48.81%	2.23%	2.00%
October 31, 2023	19.00%	5.00%	48.81%	2.23%	2.00%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

23 Financial instruments issued to investors

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Restated, Audited)
Current		
Preferred Shares (Note (a))	—	11,449,687

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

(a) Preferred Shares

The Group's Preferred Shares activities during the six months ended June 30, 2024 and 2023 are summarized below:

	Series Angel Preferred Shares		Series Seed Preferred Shares		Series A Preferred Shares		Series A+ Preferred Shares		Series B Preferred Shares		Series C Preferred Shares	
	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000
(Unaudited)												
Balances of January 1, 2024	15,995,501	622,075	19,971,731	776,888	15,521,371	604,125	10,511,598	409,001	31,859,744	1,239,570	52,222,266	2,032,256
Change in fair value	—	1,633	—	1,864	—	1,095	—	875	—	2,729	—	4,030
Currency translation differences	—	1,776	—	2,218	—	1,724	—	1,167	—	3,538	—	5,801
Conversion of Preferred shares into ordinary shares	(15,995,501)	(625,484)	(19,971,731)	(780,970)	(15,521,371)	(606,944)	(10,511,598)	(411,043)	(31,859,744)	(1,245,837)	(52,222,266)	(2,042,087)
Balances of June 30, 2024	—	—	—	—	—	—	—	—	—	—	—	—
(Audited)												
Balances of January 1, 2023	15,995,501	345,255	19,971,731	438,744	15,521,371	358,447	10,511,598	236,153	31,859,744	712,444	55,705,679	1,284,274
Issuance of Series G-1 Preferred Shares upon exercise of Series C-1 Warrants (Note (b))	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of Series G-2 Preferred Shares upon exercise of Series G-2 Warrants (Note (b))	—	—	—	—	—	—	—	—	—	—	—	—
Modification of Series C Preferred Shares to Series G-2 Preferred Shares	—	—	—	—	—	—	—	—	—	—	(3,483,413)	(82,112)
Change in fair value	—	27,202	—	32,902	—	23,440	—	16,673	—	50,986	—	84,568
Includes: change in fair value due to own credit risk	—	—	—	—	—	43	—	18	—	55	—	148
Currency translation differences	—	14,113	—	17,863	—	14,447	—	9,571	—	28,902	—	47,415
Balances of June 30, 2023	15,995,501	386,570	19,971,731	489,509	15,521,371	396,334	10,511,598	262,397	31,859,744	792,332	52,222,266	1,334,145

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

23 Financial instruments issued to investors (Continued)

(a) Preferred Shares (Continued)

	Series D Preferred Shares		Series D-1 Preferred Shares		Series D-2 Preferred Shares		Series E Preferred Shares		Series F Preferred Shares		Series G-1 Preferred Shares		Series G-2 Preferred Shares		Total	
	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000	Number of shares	Amount RMB'000
(Unaudited)																
Balances of January 1, 2024	10,054,493	391,804	6,102,180	237,682	17,496,456	681,906	27,000,000	1,053,670	53,894,003	2,106,075	11,374,415	445,381	21,705,583	849,254	293,709,341	11,449,687
Change in fair value	—	246	—	258	—	327	—	(872)	—	(4,618)	—	(1,867)	—	(2,901)	—	2,799
Currency translation differences	—	1,118	—	678	—	1,945	—	3,004	—	6,001	—	1,268	—	2,419	—	32,657
Conversion of Preferred shares into ordinary shares	(10,054,493)	(393,168)	(6,102,180)	(238,618)	(17,496,456)	(684,178)	(27,000,000)	(1,055,802)	(53,894,003)	(2,107,458)	(11,374,415)	(444,782)	(21,705,583)	(848,772)	(293,709,341)	(11,485,143)
Balances of June 30, 2024	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(Audited)																
Balances of January 1, 2023	10,054,493	257,790	6,102,180	149,686	17,496,456	453,582	27,000,000	781,950	53,894,003	1,744,933	—	—	6,582,785	232,785	270,695,541	6,996,043
Issuance of Series G-1 Preferred Shares upon exercise of Series G-1 Warrants (Note (b))	—	—	—	—	—	—	—	—	—	—	11,374,415	421,087	—	—	11,374,415	421,087
Issuance of Series G-2 Preferred Shares upon exercise of Series G-2 Warrants (Note (b))	—	—	—	—	—	—	—	—	—	—	—	—	11,639,385	450,250	11,639,385	450,250
Modification of Series C Preferred Shares to Series G-2 Preferred Shares	—	—	—	—	—	—	—	—	—	—	—	—	3,483,413	81,816	—	(296)
Change in fair value	—	12,201	—	8,115	—	20,571	—	22,623	—	29,087	—	(4,104)	—	(3,510)	—	320,754
Includes: change in fair value due to own credit risk	—	58	—	28	—	104	—	227	—	578	—	156	—	157	—	1,572
Currency translation differences	—	10,191	—	5,961	—	17,892	—	30,295	—	66,687	—	19,025	—	32,920	—	315,282
Balances of June 30, 2023	10,054,493	280,182	6,102,180	163,762	17,496,456	492,045	27,000,000	834,868	53,894,003	1,840,707	11,374,415	436,008	21,705,583	794,261	293,709,341	8,503,120

(b) Warrants

In October 2022, the Company issued warrants to certain new investors to purchase Series G-1 and Series G-2 Preferred Shares at the purchase price of RMB35.17 and RMB38.68 per share for an aggregate purchase price of RMB850,250,000 once the necessary regulatory approvals have been obtained. The Series G-1 and Series G-2 Preferred Shares into which warrants are exercisable into are financial liabilities and the Company accounted for the Series G-1 and Series G-2 Warrants as derivatives. As of December 31, 2022, the warranty liability in relation to the Series G warrants was immaterial and none of the Series G-1 and Series G-2 Warrants have been exercised.

The Series G-1 and G-2 Warrants were subsequently exercised by the investors in April 2023, upon which, the Company derecognized the Series G-1 and Series G-2 Warrants and recognized Series G-1 and Series G-2 Preferred Shares at the fair value of RMB421,087,000 and RMB450,250,000, respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

23 Financial instruments issued to investors (Continued)**(b) Warrants (Continued)**

The Group's Warrants liabilities activities during the six months ended June 30, 2024 and 2023 are summarized as below:

	Warrants RMB'000
(Unaudited)	
As of January 1, 2024 and June 30, 2024	—
(Audited)	
As of January 1, 2023	—
Change in fair value for Series G-1 and Series G-2 Warrants	20,876
Exercise of Series G-1 and Series G-2 Warrants	(21,087)
Currency translation differences	211
As of June 30, 2023	—

24 Trade payables

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Trade payables	373,717	490,202

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 Trade payables (Continued)

As of June 30, 2024 and December 31, 2023, the ageing analysis of the trade payables based on the date of the goods and services received are as follows:

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Up to 6 months	370,699	485,280
6 months to 1 year	735	1,769
Over 1 year	2,283	3,153
	373,717	490,202

25 Other payables and accruals

	As of June 30, 2024 RMB'000 (Unaudited)	As of December 31, 2023 RMB'000 (Audited)
Salaries and welfare payables	71,539	109,537
Payable for customer rebates	46,929	—
Payable for long-term assets	38,275	46,549
Accrued expenses	36,250	60,495
Warranty provision	11,755	7,349
Refund liabilities (Note (b))	7,586	6,268
Tax payables	6,350	9,531
License fees payable	4,942	4,796
Payables in relation to ESOP (Note (a))	4,566	18,582
Government grants received on behalf of joint applicants	—	8,942
Other payables	3,622	2,237
	231,814	274,286

As of June 30, 2024 and December 31, 2023, other payables and accruals were mainly denominated in RMB and the carrying amounts of other payables and accruals approximated their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

25 Other payables and accruals (Continued)

- (a) The outstanding balances in relation to equity-settled share-based payment transaction are as below.
- (i) As of June 30, 2024, a liability to an employee in relation to the grant of 549,000 RSUs under ESOP A scheme (Note 22 (a) ESOP A scheme (i)) amounted to RMB4,566,000 (December 31, 2023: RMB7,338,000).
- (ii) As of December 31, 2023, a liability in relation to the repurchase obligation under the ESOP B scheme (Note 22 (b) ESOP B scheme (ii)) amounted to RMB11,244,000. The liability was reclassified into other reserves upon IPO on January 5, 2024.
- (b) Refund liabilities represented the variable consideration in relation to the estimated sales return and sales exchange with a corresponding adjustment to revenue.

26 Related party transactions

The following is a summary of the transactions carried out between the Group and its related parties during the six months ended June 30, 2024 and 2023, and balances with related parties as of June 30, 2024 and December 31, 2023.

(a) Name and relationship with related parties

The following individuals/companies are related parties of the Group as of June 30, 2024 and December 31, 2023 or during the six months ended June 30, 2024 and 2023.

Name of related parties	Relationship with the Group
Cainiao Smart Logistics Investment Limited ("Cainiao")	Shareholder having significant influence over the Company
Alibaba Cloud Computing Ltd.*	Fellow subsidiary of Cainiao
Alibaba Damo Academy (Hangzhou) Technology Co., Ltd.*	Fellow subsidiary of Cainiao
Zhejiang Alibaba Cloud Computing Co., Ltd.*	Fellow subsidiary of Cainiao
Hangzhou XiaoManLv Intelligent Technology Co., Ltd.*	Fellow subsidiary of Cainiao
Luxsense	Associate of the Group
Mr. Qiu Chunchao	Executive Director and Chief Executive Officer
Dr. Qiu Chunxin	Founding shareholder
Mr. Liu Letian	Founding shareholder

* The English name of the PRC company referred to in this note represents management's best effort in translating the Chinese name of this company as no English name has been registered or is available.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

26 Related party transactions (Continued)**(b) Significant transactions and balances with related parties**

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Sales of goods and services		
Alibaba Cloud Computing Ltd.	411	1,552
Alibaba Damo Academy (Hangzhou) Technology Co., Ltd.	—	115
Zhejiang Alibaba Cloud Computing Co., Ltd.	—	66
Hangzhou XiaoManLv Intelligent Technology Co., Ltd.	—	2
	411	1,735
Purchase of goods and services		
Luxsense	219,834	21,180
Alibaba Cloud Computing Ltd.	—	4
	219,834	21,184
	As of	As of
	June 30,	December 31,
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables		
Alibaba Cloud Computing Ltd.	379	96
Trade payables		
Luxsense	147,227	249,705

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

26 Related party transactions (Continued)**(c) Key management compensation**

Key management includes directors and senior managements. The compensation paid or payable to key management for employee services is shown below:

	Six months ended June 30,	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Share-based compensation expenses	6,277	75,594
Wages, salaries and bonuses	3,372	3,213
Pension costs — defined contribution plans, housing funds, medical insurances and other social insurances	148	150
	9,797	78,957

27 Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	As of	As of
	June 30,	December 31,
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contracted but not provided for		
— Property, plant and equipment	3,343	5,475
— Intangible assets	—	1,726
	3,343	7,201

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

28 Contingencies

As of June 30, 2024 and December 31, 2023, the Group did not have any significant contingent liabilities.

29 Event occurring after the reporting period

On July 5, 2024, the Company granted 216,607 RSUs under the platforms of ESOP C scheme to eligible employees at nil consideration, with one year's service conditions. The closing price of the shares on the date of grant is HK\$16.02 per share.

The board of directors of the Company has resolved to repurchase ordinary shares of the Company in the open market on The Stock Exchange of Hong Kong Limited from time to time for an aggregate amount of up to HK\$200 million in value pursuant to the general mandate granted to the directors of the Company and approved by the shareholders of the Company at the annual general meeting held on June 27, 2024. As of the date of this report, 3,192,500 ordinary shares were repurchased with an aggregate amount of approximately HK\$51 million.

DEFINITIONS AND GLOSSARY

In this interim report, unless the context otherwise requires, the following expressions and terms shall have the meanings set out below:

“ADAS”	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
“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Company
“Auditor”	PricewaterhouseCoopers, the independent auditor of the Company
“automotive OEMs”	the original equipment manufacturer, which assembles and installs automotive parts during the construction of a new vehicle
“Board”	the board of Directors of the Company
“Chief Executive Officer”	the chief executive officer of the Company
“Company” or “our Company” or “the Company”	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)
“Corporate Governance Code” or “CG Code”	Corporate Governance Code, as set out in Appendix C1 to the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Qiu”	Qiu Chunxin (邱純鑫), our co-founder, chairman of the Board, executive Director and chief scientist of our Company
“Dr. Zhu”	Zhu Xiaorui (朱曉蕊), our co-founder, non-executive Director and scientific advisor of our Company
“Global Offering”	the Hong Kong public offering and the international offering of the Company, details of which are set out in the Prospectus
“Group” or “our Group” or “the Group” or “RoboSense” or “we” or “us” or “our”	the Company and its subsidiaries from time to time
“HKD” or “HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFRS”	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

DEFINITIONS AND GLOSSARY

“Latest Practicable Date”	September 13, 2024, being the latest practicable date for the purpose of ascertaining certain information in this interim report prior to its publication
“LiDAR”	a remote sensing method that uses light to measure the distance or range of objects
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	January 5, 2024, the date on which our Shares are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luxsense”	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%
“L4”	level four of driving automation, namely high automation level. Vehicles with L4 autonomy are capable of driving fully autonomously in proper settings such as highways and urban roads without the assistance or intervention of a human driver. A human driver is only required in limited scenarios where the road conditions are not met
“L5”	level five of driving automation, namely full automation level. Under L5, vehicles do not require human attention and can drive under all conditions
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
“Mr. Liu”	Liu Letian (劉樂天), our co-founder, executive Director and chief technology officer of our Company
“Mr. Qiu”	Qiu Chunchao (邱純潮), our executive Director and Chief Executive Officer
“perception solution”	visual, LiDAR or fusion solution that provides perception capabilities based on information collected from cameras, LiDARs or other sensors
“Post-IPO Share Incentive Scheme”	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
“PRC” or “Mainland China” or “China”	the People’s Republic of China, which, for the purpose of this interim report and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Share Incentive Scheme A”	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

DEFINITIONS AND GLOSSARY

“Pre-IPO Share Incentive Scheme 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
“Prospectus”	the prospectus of the Company dated December 27, 2023 in relation to the Company’s Global Offering and Listing
“Reporting Period”	the six months ended June 30, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“RoboSense HK”	RoboSense HongKong Limited, a company incorporated under the laws of Hong Kong on July 16, 2021, and an indirectly wholly-owned subsidiary of the Company
“RoboTaxi”	a driverless shared mobility vehicle built in with L4 and L5 autonomous driving technology
“ROI”	region of interest, a subset of an image or dataset identified for a particular purpose/region
“R&D”	research and development
“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance, Chapter 571 of Laws of Hong Kong
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Shenzhen Suteng”	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 the PRC on August 28, 2014, and an indirectly wholly-owned subsidiary of the Company
“SOP”	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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tier 1 supplier”	a company that supplies parts or systems directly to automotive OEMs
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“U.S. dollar(s)” or “USD”	United States dollars, the lawful currency of the United States of America
“V2X”	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