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SuperRobotics Holdings Limited
超人智能控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8176)

**FINAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED 31 DECEMBER 2023**

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the emerging nature of companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This announcement, for which the directors (the “**Directors**” and each the “**Director**”) of SuperRobotics Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

RESULTS

The board of directors (the “**Board**”) of the Company is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 together with the comparative audited figures for the year ended 31 December 2022 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	5	15,081	3,961
Cost of sales		(7,800)	(4,933)
Gross profit/(loss)		7,281	(972)
Other income	6	347	5,777
Other gains and losses, net	7	(4,319)	10,019
Selling and distribution expenses		(2,375)	(3,208)
Reversal/(write-down) of slow-moving inventories		4,245	(6,166)
Administrative expenses		(13,059)	(15,762)
Operating loss	8	(7,880)	(10,312)
Finance costs	9	(37,196)	(27,300)
Loss before income tax		(45,076)	(37,612)
Income tax expense	10	–	(927)
Loss for the year		(45,076)	(38,539)
Other comprehensive income/(loss)			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		5,240	13,100
Reclassification adjustments of exchange differences on disposal of foreign subsidiaries		–	(9,885)
Other comprehensive income for the year		5,240	3,215
Total comprehensive loss for the year		(39,836)	(35,324)

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss for the year attributable to:			
Owners of the Company		(27,756)	(13,697)
Non-controlling interests		<u>(17,320)</u>	<u>(24,842)</u>
		<u>(45,076)</u>	<u>(38,539)</u>
Total comprehensive loss for the year attributable to:			
Owners of the Company		(25,265)	(19,901)
Non-controlling interests		<u>(14,571)</u>	<u>(15,423)</u>
		<u>(39,836)</u>	<u>(35,324)</u>
		2023 <i>HK cents</i>	2022 <i>HK cents</i>
Loss per share	<i>11</i>		
Basic and diluted		<u>(4.87)</u>	<u>(2.71)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Assets			
Non-current assets			
Property, plant and equipment		112	737
Other receivables		<u>1,818</u>	<u>—</u>
		<u>1,930</u>	<u>737</u>
Current assets			
Inventories		90	1,190
Contract assets		13	16
Trade receivables	13	8,525	543
Deposits, prepayment and other receivables		4,993	5,349
Financial assets at fair value through profit or loss		—	779
Cash and cash equivalents		<u>12,003</u>	<u>13,599</u>
		<u>25,624</u>	<u>21,476</u>
Total assets		<u><u>27,554</u></u>	<u><u>22,213</u></u>
Equity and liabilities			
Capital and reserves			
Share capital		60,746	50,622
Reserves		<u>(129,150)</u>	<u>(122,908)</u>
Capital deficiencies attributable to owners of the Company		(68,404)	(72,286)
Non-controlling interests		<u>(76,314)</u>	<u>(128,059)</u>
Total capital deficiencies		<u><u>(144,718)</u></u>	<u><u>(200,345)</u></u>

		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Liabilities			
Non-current liabilities			
Interest payables		–	3,970
Amount due to a related company		8,926	–
Other borrowings		138,444	16,558
		<u>147,370</u>	<u>20,528</u>
Current liabilities			
Trade payables	<i>14</i>	1,230	1,850
Accruals and other payables		23,547	74,423
Other borrowings		–	122,901
Contract liabilities		125	2,856
		<u>24,902</u>	<u>202,030</u>
Total liabilities		<u>172,272</u>	<u>222,558</u>
Total equity and liabilities		<u>27,554</u>	<u>22,213</u>
Net current assets/(liabilities)		<u>722</u>	<u>(180,554)</u>
Total assets less current liabilities		<u>2,652</u>	<u>(179,817)</u>
Net liabilities		<u>(144,718)</u>	<u>(200,345)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company								
	Share capital — ordinary share HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total capital deficiencies HK\$'000
As at 1 January 2022	50,622	488,163	38,991	(8,254)	2,783	(626,653)	(54,348)	(110,773)	(165,121)
Loss for the year	—	—	—	—	—	(13,697)	(13,697)	(24,842)	(38,539)
Other comprehensive (loss)/income for the year	—	—	—	(6,204)	—	—	(6,204)	9,419	3,215
Total comprehensive loss for the year	—	—	—	(6,204)	—	(13,697)	(19,901)	(15,423)	(35,324)
Expiry of share options	—	—	—	—	(2,783)	2,783	—	—	—
Placing from non-controlling interests	—	—	—	—	—	—	—	100	100
Non-controlling interests arising on change in ownership interests in subsidiaries without lost of control	—	—	—	—	—	1,963	1,963	(1,963)	—
As at 31 December 2022 and as at 1 January 2023	50,622	488,163	38,991	(14,458)	—	(635,604)	(72,286)	(128,059)	(200,345)
Loss for the year	—	—	—	—	—	(27,756)	(27,756)	(17,320)	(45,076)
Other comprehensive income for the year	—	—	—	2,491	—	—	2,491	2,749	5,240
Total comprehensive income/(loss) for the year	—	—	—	2,491	—	(27,756)	(25,265)	(14,571)	(39,836)
Capital contribution from non-controlling interests	—	—	—	—	—	—	—	66,316	66,316
Issue of new shares by way of debts capitalisation	10,124	20,248	—	—	—	—	30,372	—	30,372
Share issuing expenses	—	(1,225)	—	—	—	—	(1,225)	—	(1,225)
As at 31 December 2023	60,746	507,186	38,991	(11,967)	—	(663,360)	(68,404)	(76,314)	(144,718)

NOTES:

1 GENERAL INFORMATION

SuperRobotics Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands and with effect from 22 April 2014, the Company deregistered in the Cayman Islands and continued in Bermuda with limited liability. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the “Company Information” section to the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of engineering products and related services (the “**Robotics Business**”).

The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”), unless otherwise stated.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rule
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies.

Except for disclosed above, the application of other new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of liabilities as Current or non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1	non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and by the Hong Kong Companies Ordinance.

During the year ended 31 December 2023, the Group incurred a net loss of HK\$45,076,000 (2022: HK\$38,539,000) and had a net cash used in operating activities of HK\$9,993,000 (2022: HK\$21,353,000). As at 31 December 2023, the Group had a capital deficiencies of HK\$144,718,000 (2022: HK\$200,345,000) including cash and cash equivalents of HK\$12,003,000 (2022: HK\$13,599,000) and other borrowings of HK\$138,444,000 (2022: HK\$139,459,000).

These conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- (i) On 16 January 2023, the Group entered into a new facilities agreement with 惠州市金達勝投資有限公司 (Huizhou Jindasheng Investment Limited* or “**HJIL**”), who is non-controlling interests of the Group’s certain subsidiaries. Under the new facilities agreement, as at 31 December 2023, the new facilities granted to the Group with the amounts of approximately RMB14,568,000 (equivalent to HK\$15,969,000) which will be available for drawdown as and when needed. The directors considered that such facilities will continue to be available given that such facilities are secured by the entire equity interest in a non-wholly owned subsidiary of the Group, 深圳市安澤智能機器人有限公司 (“**Anzer**”). It is expected that borrowings will continue to be available for drawdown under these facilities as and when needed in the next twelve months and within 3 years from the date of the new facilities.
- (ii) The management of the Company has actively to take measures to improve operating results and net cash inflows of the Group’s Robotics Business in People’s Republic of China (“**PRC**”) including but not limited to increase sales order for Robotics Business. Subsequent to the end of the reporting period, the Group actively negotiated with a customer for providing of engineering related services of RMB15,000,000 (equivalents to approximately HK\$16,443,000).
- (iii) The Group will continue to source additional funding from external resources and/or fund raising opportunities.

* *for identification purpose only*

The directors have reviewed the Group's cash flow projection covering a period of not less than twelve months from 31 December 2023 prepared by the management and have considered the possible downward changes in its operating performance. They are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2023. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether management of the Group is able to achieve its plans and measures as described above. whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

- (i) Successful drawdown the funds from abovementioned facilities as and when needed.
- (ii) Successful implementation of measures to improve the operating results of the Group's Robotic Business in the PRC and to generate sufficient cash inflow.
- (iii) Successful to source additional funding from external resources and/or fund raising opportunities.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. SEGMENT INFORMATION

The Group's operating segments have been determined based on the information reported to and reviewed by the executive directors, being the Group's chief operating decision-maker (the "CODM"), which are used for the purposes of assessing performance and making strategic decisions. The Group's operating segment is structured and managed separately according to the nature of their operations, and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments.

The Group has one operating segment for both years. Particular of the Group's reportable segment is summarised as follows:

Provision of engineering products and related services (Note)

The CODM considered the Group has only one operating and reportable segment under HKFRS 8 *Operating Segments*, accordingly, only entity-wide disclosures, major customers and geographic information are presented.

Note: For the engineering products, the Group offers robotic products. For the provision of engineering related services, the Group provides equipment installation, support and maintenance services for robotics and automation systems.

Geographical information

Since all of the Group's revenue and non-current assets (excluded financial instruments) were generated from and located in the People's Republic of China (the "PRC") for both years, no geographical segment information in accordance with HKFRS 8 is presented.

Information about major customers

Details of the customers individually representing 10% or more of the Group's revenue are as follows:

	2023	2022
	HK\$'000	HK\$'000
Customer A (Note)	5,160	N/A
Customer B	4,667	–
Customer C (Note)	2,605	N/A
Customer D (Note)	N/A	921
Customer E	–	822
Customer F (Note)	N/A	611

Note: The corresponding revenue did not contributed over 10% of the total revenue of the Group.

Except for disclosed above, no other customers contributed 10% or more to the Group for both years.

5. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue from contracts with customers		
Provision of engineering products and related services	15,081	3,961

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Timing of revenue recognition		
At a point in time	9,844	1,990
Over time	5,237	1,971
	15,081	3,961

6. OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Bank interest income	7	2
Loan interest income	20	4
Interest income from bond receivables	93	–
Government grants	111	821
Compensation income from litigation (<i>note</i>)	–	4,902
Sundry income	100	48
Bad debts recover	16	–
	347	5,777

During the year ended 31 December 2023 and 2022, the Group recognised government grant in respect of subsidies provided by the PRC local government in respect of research and development as a support. There were no unfulfilled conditions or contingencies relating to these government grants.

Note: On 19 April 2022, the Group entered into a settlement agreement with the Former Auditors in which the related former auditors agreed to compensate the Group with the amounts of approximately HK\$19,800,000 (inclusive of all interest and costs). The Compensation will be received by instalment which HK\$12,000,000 will be received within 20 business days from the Settlement Agreement and the remaining balance will be by relevant instalments. The Company will be received approximately of HK\$4,902,000 (net of all interest and costs).

7. OTHER GAINS AND LOSSES, NET

	2023	2022
	HK\$'000	HK\$'000
Gain on disposal of subsidiaries	–	13,545
Loss on modification of financial liabilities	(7,087)	–
Impairment losses recognised in respect of trade receivables	(907)	(59)
Impairment losses recognised in respect of bond receivables	(82)	–
Impairment losses reversed/(recognised) in respect of loan receivables	252	(252)
Gain/(loss) on disposal and written off of property, plant and equipment	2,020	(2,996)
Over-provision of other payables	22	–
Realised loss on fair value change of financial assets at fair value through profit or loss	(292)	–
Unrealised loss on fair value change of financial assets at fair value through profit or loss	–	(219)
Waiver of loan interest payables	1,753	–
Exchange gain, net	2	–
	(4,319)	10,019

8. OPERATING LOSS

Operating loss has been arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration:		
– audit services	762	815
– non-audit services	43	8
Cost of inventories sold	7,800	3,064
Depreciation of property, plant and equipment	481	1,324
(Reversal)/write-down of slow-moving inventories	(4,245)	6,166
Written off of inventories	–	299
Expenses relating to short-term leases	1,072	2,511
Expenses relating to lease of low-value assets	16	16
Staff costs (including directors' emoluments)	<u>6,679</u>	<u>11,054</u>

9. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Imputed interest on other borrowings	13,634	5,092
Imputed interest on interest payables	26	884
Interest on lease liabilities	–	4
Interest on other borrowings	<u>23,536</u>	<u>21,320</u>
	<u>37,196</u>	<u>27,300</u>

10. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax:		
– Under-provision in prior years	<u>–</u>	<u>927</u>
Total income tax expense	<u>–</u>	<u>927</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Canada subsidiaries were subject to Canada corporate tax at 26.5% during the year ended 31 December 2022.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years, except for Anzer which qualified as High and new Technology Enterprises up to 11 December 2023 and entitled to a preferential tax rate of 15% from the year ended 31 December 2021 to 31 December 2022. Anzer was not qualified as High and new Technology Enterprises and subjected to 25% Enterprise Income Tax for the year ended 31 December 2023.

No provision for the Hong Kong Profits Tax and PRC Enterprise Income Tax has been made as the Group have no estimated assessable profit for both years.

No provision for Canada corporate tax has been made during the year ended 31 December 2022 as the Group have no estimated assessable profit.

11. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2023	2022
	HK\$'000	HK\$'000
Loss		
Loss for the purposes of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(27,756)</u>	<u>(13,697)</u>
	2023	2022
	'000	'000
Number of shares		
weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>569,740</u>	<u>506,220</u>

As the Company’s outstanding share options where applicable had an anti-dilutive effect to the basic loss per share calculation, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share during the year ended 31 December 2022. The Group had no potential dilutive ordinary shares in issue during the year ended 31 December 2023.

12. DIVIDEND

No final dividend was paid or proposed during the year, nor any dividend has been proposed by the board of directors subsequent to the end of the reporting period (2022: nil).

13. TRADE RECEIVABLES

The aging analysis of trade receivables (net of allowance for credit losses) presented based on earliest of invoice date or revenue recognition date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0-30 days	8,367	99
31-60 days	—	35
61-90 days	—	—
Over 90 days	158	409
	<hr/>	<hr/>
	8,525	543
	<hr/> <hr/>	<hr/> <hr/>

The Group allows credit periods to customers up to 12 months.

14. TRADE PAYABLES

The following is an aging analysis of trade payables presented based on earliest of invoice date or date of delivery of goods:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0-30 days	949	259
31-60 days	—	—
61-90 days	5	107
Over 90 days	276	1,484
	<hr/>	<hr/>
	1,230	1,850
	<hr/> <hr/>	<hr/> <hr/>

The credit period normally granted from supplies up to 120 days.

BUSINESS REVIEW

The Group mainly offers robotic products. For the provision of engineering related services, the Group provides equipment installation, support and maintenance services for robotics and automation systems (collectively, the “**Engineering Business**”).

During the year, the Group continued to develop and improve its robotic products. The Group has also driven the commercialisation of its products at a faster pace compared to 2022. For the year, the revenue of the Engineering Business has increased by 280.8% and contributed a total revenue of approximately HK\$15.1 million to the total turnover of the Group.

FINANCIAL REVIEW

For the year, the Group recorded a turnover of approximately HK\$15.1 million, representing an increase of approximately 280.8% as compared with the corresponding year in 2022 (for the financial year ended 31 December 2022: approximately HK\$4.0 million) from the Engineering Business.

For the year, the gross profit was approximately HK\$7.3 million (for the financial year ended 31 December 2022: gross loss of approximately HK\$1.0 million) and the gross profit margin was approximately 48.3% (for the financial year ended 31 December 2022: gross loss margin of 24.5%).

For the year, other income was approximately HK\$347,000 (for the financial year ended 31 December 2022: approximately HK\$5.8 million). The other income was mainly attributable to compensation income from Bond interest income of approximately HK\$93,000 and other income of approximately HK\$254,000, which mainly consists of government grants received during the year.

For the year, other gain and losses (net) was losses of approximately HK\$4.3 million (for the financial year ended 31 December 2022: gain of approximately HK\$10.0 million) which mainly consists of gain on disposal of fixed assets of approximately HK\$2.0 million, loss on modification of financial liabilities of approximately HK\$7.1 million, impairment loss on financial assets, net of reversal, of approximately HK\$0.7 million, and gain on written off of loan interest payables of approximately HK\$1.8 million.

The selling and distribution costs for the year was approximately HK\$2.4 million (for the financial year ended 31 December 2022: approximately HK\$3.2 million), representing a decrease of approximately 26.0% over the corresponding period in 2022. Such decrease was mainly attributed to the decrease in staff costs.

The administrative expenses for the year was approximately HK\$13.1 million (for the financial year ended 31 December 2022: approximately HK\$15.8 million). The administrative expenses mainly consist of employee related expense of approximately HK\$5.8 million (for the financial year ended 31 December 2022: approximately HK\$10.5 million), expenses related to short-term leases of approximately HK\$1.1 million (for the financial year ended 31 December 2022: approximately HK\$2.5 million), research and development expense of approximately HK\$0.6 million (for the financial year ended 31 December 2022: HK\$0.8 million), directors' remuneration of approximately HK\$0.8 million (for the financial year ended 31 December 2022: approximately HK\$0.6 million) and other administrative expense of approximately HK\$4.8 million (for the financial year ended 31 December 2022: approximately HK\$1.4 million).

The finance costs for the year was approximately HK\$37.2 million (for the financial year ended 31 December 2022: approximately HK\$27.3 million) and was mainly attributable to imputed interest and interest on other borrowings incurred during the year.

The consolidated loss amounted to approximately HK\$45.1 million for the year ended 31 December 2023 (for the financial year ended 31 December 2022: approximately HK\$38.5 million). The loss was mainly attributed to the increase in (i) imputed interest on other borrowings in financial costs; (ii) loss on modification of financial liabilities in other gains and losses, net, and (iii) absence of compensation one-off income from litigation received and gain on disposal of subsidiaries in 2022 in other income which was partially offset by (i) the increase in revenue and gain on reversal of slow-moving inventories during the year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group had a total secured borrowing of approximately HK\$131.2 million, which was secured by equity shares of a non-wholly owned subsidiary indirectly held by the Company and interest bearing fixed interest rate 18.0%. The Group also had unsecured borrowings of approximately HK\$7.2 million, which interest bearing at fixed interest rate ranging from 5%. Approximately HK\$7.2 million of the borrowings are denominated in Hong Kong dollar and approximately HK\$131.2 million of the borrowings are denominated in Renminbi.

The total secured and unsecured borrowings of the Group is approximately HK\$138.4 million, all approximately will mature between two to five years.

As at 31 December 2023, the Group had total assets of approximately HK\$27.5 million (31 December 2022: approximately HK\$22.2 million), including cash and cash equivalents of approximately HK\$12.0 million (31 December 2022: approximately HK\$13.6 million).

CAPITAL STRUCTURE

As at 31 December 2023, the total issued share capital of the Company was approximately HK\$60,746,000 (31 December 2022: approximately HK\$50,622,000) divided into 607,463,599 (31 December 2022: 506,219,666) ordinary shares of HK\$0.1 each.

GEARING RATIO

Gearing ratio is not meaningful as the Group has capital deficiencies attributable to owners of the Company as at 31 December 2023 and 2022.

PLEDGE OF ASSETS

The Group pledged equity share of a non-wholly owned subsidiary to secure other borrowings as at 31 December 2023 and 2022.

FOREIGN EXCHANGE RISK

The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risks. However, the Group's management closely monitors the exposures and will consider hedging the exposures when in need.

CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities as at 31 December 2023 and during the year.

EMPLOYEES

As at 31 December 2023, the Group had 12 employees (as at 31 December 2022: 35 employees). Total staff costs including directors' emolument for the year amounted to approximately HK\$6.6 million (for the financial year ended 31 December 2022: approximately HK\$11.1 million). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The employees in Hong Kong joined the mandatory provident fund scheme, the employees in the PRC joined the national statutory social security insurance scheme.

SIGNIFICANT INVESTMENT

The Group did not make any significant investment during the year.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND AFFILIATED COMPANIES

The Group did not make any material acquisition or disposal of subsidiaries, associates or affiliated companies during the year.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have any concrete plan for material investments or capital assets for the coming year.

SUBSEQUENT EVENT

There is no significant event after the reporting date.

INDUSTRY OUTLOOK

Traditional robotics manufacturers are still the main force of the industry, taking the lead in the field of core component manufacturing. Intelligent technology companies enriched the applications of robots. Meanwhile, technology transfer enabled penetration of robot applications into multiple fields. Top tech companies are paying special attention to the robotics with a view to expanding their portfolio, and empowering their own main businesses of e-commerce and consumer entertainment, thus promoting the application of technology in the industry and other fields.

With the declined population, accelerated aging population and rising costs of various factors, intelligent manufacturing, such as robotics, will become the essential pathway towards high-quality development of the domestic manufacturing industry. The robotics industry will be deeply integrated with more industries. Along with recovery of consumption and investment, the domestic robotics industry as a whole is expected to experience a new fast growth. The Ministry of Industry and Information Technology of the People's Republic of China and other 17 departments issued the "Robot+" Application Action Plan, indicating that by 2025, the robot density in the manufacturing industry will double as compared to 2020; the depth and width of application of service robots and special robots in industries will rise significantly, and robots will be much better at promoting the high-quality development of economy and society. The repeated outbreaks of the epidemic have created strong demand for unmanned, automated and intelligent productivity and labour in many fields. The entire robotics industry is showing healthy growth momentum. The market size of the intelligent robot market in China is estimated to reach approximately RMB100 billion in 2025.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The principal responsibilities of the Audit Committee include reviewing the financial statements and reports and considering any significant or unusual items raised by the compliance officer or external auditors before submission to the Board, reviewing the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and making recommendation to the Board on the appointment, re-appointment and removal of external auditors and reviewing the adequacy and effectiveness of the Company's financial reporting, internal control and risk management systems and associated procedures.

As at 31 December 2020 and up to the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Ms. Han Xiao (chairman), Mr. Tam B Ray, Billy and Mr. Xu Guojun. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 December 2023.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company's auditors, Elite Partners CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR'S OPINION

The following is an extract of the independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 December 2023.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$45,076,000 and had a net cash used in operating activities of HK\$9,993,000 during the year ended 31 December 2023. As at 31 December 2023, the Group had a capital deficiencies of HK\$144,718,000 including cash and cash equivalents of HK\$12,003,000 and other borrowings of HK\$138,444,000. These conditions, together with other matters described in note 3 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT ACTION PLANS ON GOING CONCERN MITIGATION MEASURES

In order to meet the company's financial obligation and to improve the operational capability, the directors of the Company have been undertaking a number of measures, including:

- (i) On 16 January 2023, the Group entered into a new facilities agreement with 惠州市金達勝投資有限公司 (Huizhou Jindasheng Investment Limited* or “**HJIL**”), who is non-controlling interests of the Group's certain subsidiaries. Under the new facilities agreement, as at 31 December 2023, the new facilities granted to the Group with the amounts of approximately RMB14,568,000 (equivalent to HK\$15,969,000) which will be available for drawdown as and when needed. The directors considered that such facilities will continue to be available given that such facilities are secured by the entire equity interest in a non-wholly owned subsidiary of the Group, 深圳市安澤智能機器人有限公司 (“**Anzer**”). It is expected that borrowings will continue to be available for drawdown under these facilities as and when needed in the next twelve months and within 3 years from the date of the new facilities.
- (ii) The management of the Company has actively to take measures to improve operating results and net cash inflows of the Group's Robotics Business in People's Republic of China (“**PRC**”) including but not limited to increase sales order for Robotics Business. Subsequent to the end of the reporting period, the Group actively negotiated with a customer for providing of engineering related services of RMB15,000,000 (equivalents to approximately HK\$16,443,000).
- (iii) The Group will continue to source additional funding from external resources and/or fund raising opportunities.

* *for identification purpose only*

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board believes that corporate governance is essential to the success of the Company. The Board is committed to maintaining corporate governance with high standard and ensuring compliance of the legal and regulatory requirements. The Company has put in place governance practices with emphasis on the integrity, quality of disclosures, transparency and accountability for the shareholders of the Company.

As at 31 December 2023 and up to the date of this report, the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 (referred to as Appendix 14 during the year ended 31 December 2023) to the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own codes of conduct regarding directors' and relevant employees' securities transactions, namely "Code for Securities Transactions by Directors" and "Code for Securities Transactions by Relevant Employees", both of which apply to all directors and relevant employees of the Company in terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry with each of the directors of the Company, all directors have confirmed that they have complied with such code and the required standard of dealings on directors' securities transactions during the year ended 31 December 2023.

PUBLICATION OF ANNUAL REPORT

This final results announcement is published on the websites of the Stock Exchange and the Company. The 2023 Annual Report will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course in accordance with the Listing Rules.

By Order of the Board
SuperRobotics Holdings Limited
Fan Yu
Executive Director and Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises two executive directors, namely Mr Fan Yu (Chairman) and Ms. Qiu Xueyun; and three independent non-executive directors, namely Mr. Tam B Ray, Billy, Ms. Han Xiao and Mr Xu Guojun. This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.superrobotics.com.hk.