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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)**

## **UNAUDITED FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

### **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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**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.**

*This announcement, for which the directors of SuperRobotics Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept 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 of the Company, 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.*

## UNAUDITED CONSOLIDATED RESULTS

For the reasons explained below under “Review of Unaudited Annual Results”, the auditing process for the annual results of the Group has not been completed. In the meantime, the board of directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated results of the Group for the year ended 31 December 2021 as follows:

### UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> <b>(Restated)</b>
<b>Continuing operation</b>			
Revenue	4	18,455	22,754
Cost of sales		<u>(13,121)</u>	<u>(37,670)</u>
Gross profit/(loss)		5,334	(14,916)
Other income		8,599	2,937
Other gain and losses, net		(2,075)	(27,623)
Selling and distribution expenses		(5,750)	(8,344)
Administrative expenses		<u>(36,414)</u>	<u>(75,326)</u>
<b>Operating loss</b>	5	<u>(30,306)</u>	(123,272)
Finance costs		<u>(19,267)</u>	<u>(11,935)</u>
<b>Loss before income tax</b>		<u>(49,573)</u>	(135,207)
Income tax credit	6	<u>328</u>	<u>4,724</u>
<b>Loss for the year from continuing operation</b>		<u>(49,245)</u>	(130,483)
<b>Discontinued operations</b>			
Loss for the period/year from discontinued operations	8	<u>(17,444)</u>	<u>(1,402)</u>
<b>Loss for the year</b>		<u>(66,689)</u>	(131,885)
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(8,091)	(10,470)
Reclassification adjustments on liquidation of a subsidiary		<u>—</u>	<u>978</u>
<b>Other comprehensive loss for the year</b>		<u>(8,091)</u>	(9,492)
<b>Total comprehensive loss for the year</b>		<u><u>(74,780)</u></u>	<u><u>(141,377)</u></u>
<b>Loss for the year attributable to:</b>			
Owners of the Company		(38,118)	(109,602)
Non-controlling interests		<u>(28,571)</u>	<u>(22,283)</u>
		<u><u>(66,689)</u></u>	<u><u>(131,885)</u></u>

	<i>Notes</i>	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Restated)
<b>Loss for the year from continuing operation attributable to:</b>			
Owners of the Company		(28,365)	(106,218)
Non-controlling interests		<u>(20,880)</u>	<u>(24,265)</u>
		<u>(49,245)</u>	<u>(130,483)</u>
<b>(Loss)/profit for the year from discontinued operations attributable to:</b>			
Owners of the Company		(9,753)	(3,384)
Non-controlling interests		<u>(7,691)</u>	<u>1,982</u>
		<u>(17,444)</u>	<u>(1,402)</u>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company		(42,858)	(112,752)
Non-controlling interests		<u>(31,922)</u>	<u>(28,625)</u>
		<u>(74,780)</u>	<u>(141,377)</u>
<b>Loss per share</b>			
7			
<b>From continuing and discontinued operations</b>			
Basic and diluted ( <i>HK cents</i> )		<u>(7.53)</u>	<u>(21.65)</u>
<b>From continuing operation</b>			
Basic and diluted ( <i>HK cents</i> )		<u>(5.60)</u>	<u>(20.98)</u>
<b>From discontinued operations</b>			
Basic and diluted ( <i>HK cents</i> )		<u>(1.93)</u>	<u>(0.67)</u>

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> <i>(Audited)</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>5,092</b>	11,787
Right-of-use assets		–	2,349
Intangible assets		–	18,266
Deposits		–	1,196
		<u><b>5,092</b></u>	<u>33,598</u>
<b>Current assets</b>			
Inventories		<b>9,427</b>	10,801
Trade receivables	<i>10</i>	<b>3,434</b>	6,487
Deposits, prepayment and other receivables		<b>5,170</b>	12,636
Prepaid tax		<b>927</b>	732
Restricted bank deposits		–	19,017
Cash and cash equivalents		<b>20,835</b>	57,966
		<u><b>39,793</b></u>	<u>107,639</u>
Assets classified as held for sale		<u><b>1,160</b></u>	<u>–</u>
		<u><b>40,953</b></u>	<u>107,639</u>
<b>Total assets</b>		<u><b>46,045</b></u>	<u>141,237</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		<b>50,622</b>	50,622
Reserves		<u><b>(102,269)</b></u>	<u>(75,226)</u>
<b>Capital deficiencies attributable to owners of the Company</b>		<b>(51,647)</b>	(24,604)
Non-controlling interests		<u><b>(125,861)</b></u>	<u>(93,939)</u>
<b>Total capital deficiencies</b>		<u><b>(177,508)</b></u>	<u>(118,543)</u>

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2020 HK\$'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other borrowings		70,654	156,478
Amounts due to directors		–	17,067
Interest payables		16,776	15,097
Lease liabilities		–	1,874
		<u>87,430</u>	<u>190,516</u>
<b>Current liabilities</b>			
Trade payables	<i>11</i>	4,423	1,521
Accruals and other payables		54,127	25,681
Other borrowings		72,589	–
Contract liabilities		3,770	32,529
Lease liabilities		1,214	9,533
		<u>136,123</u>	<u>69,264</u>
<b>Total liabilities</b>		<u>223,553</u>	<u>259,780</u>
<b>Total equity and liabilities</b>		<u>46,045</u>	<u>141,237</u>
<b>Net current (liabilities)/assets</b>		<u>(95,170)</u>	<u>38,375</u>
<b>Total assets less current liabilities</b>		<u>(90,078)</u>	<u>71,973</u>
<b>Net liabilities</b>		<u>(177,508)</u>	<u>(118,543)</u>

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to owners of the Company							Non-controlling interests	Total capital deficiencies
	Share capital—ordinary	Share premium	Contributed surplus	Translation reserve	Share option reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2020	50,622	488,163	27,141	3,179	25,422	(574,116)	20,411	6,607	27,018
Loss for the year	—	—	—	—	—	(109,602)	(109,602)	(22,283)	(131,885)
Other comprehensive loss for the year	—	—	—	(3,150)	—	—	(3,150)	(6,342)	(9,492)
Total comprehensive loss for the year	—	—	—	(3,150)	—	(109,602)	(112,752)	(28,625)	(141,377)
Equity-settled share-based compensation	—	—	—	—	250	—	250	—	250
Forfeiture of share options	—	—	—	—	(22,904)	22,904	—	—	—
Change in ownership interests in a subsidiary without change of control	—	—	—	(3,618)	—	71,105	67,487	(62,121)	5,366
Dividend paid to non-controlling interests	—	—	—	—	—	—	—	(9,800)	(9,800)
As at 31 December 2020 and as at 1 January 2021	50,622	488,163	27,141	(3,589)	2,768	(589,709)	(24,604)	(93,939)	(118,543)
Loss for the year	—	—	—	—	—	(38,118)	(38,118)	(28,571)	(66,689)
Other comprehensive loss for the year	—	—	—	(4,740)	—	—	(4,740)	(3,351)	(8,091)
Total comprehensive loss for the year	—	—	—	(4,740)	—	(38,118)	(42,858)	(31,922)	(74,780)
Equity-settled share-based compensation	—	—	—	—	15	—	15	—	15
Contribution from a shareholder	—	—	15,800	—	—	—	15,800	—	15,800
As at 31 December 2021	<u>50,622</u>	<u>488,163</u>	<u>42,941</u>	<u>(8,329)</u>	<u>2,783</u>	<u>(627,827)</u>	<u>(51,647)</u>	<u>(125,861)</u>	<u>(177,508)</u>

## 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 Group was also engaged in the sale of beauty products and provision of therapy services (collectively referred as the “**Beauty Business**”). On 30 June 2021, China Honest Enterprise Limited (“**CHEL**”), a non-wholly owned subsidiary of the Company, completed to novate all its rights, benefits, interests, obligation and liabilities of contracts entered into by CHEL with the customers (the “**Novation**”) in connection with the Beauty Business to an independent third party. Upon completion of the Novation, the Group was ceased to engaged into Beauty Business, thus sale of beauty and provision of therapy services were discontinued accordingly.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”) under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

#### 2.1 Application of Amendments to HKFRSs

In the current year, the Group has applied the following 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 or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, Interest Rate Benchmark Reform – Phase 2  
HKFRS 7, HKFRS 4 and HKFRS 16

The application of the 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.

## 2.2 New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments <sup>3</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to HKAS 1	Classification of liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>3</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>2</sup> Effective for annual periods on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

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



## 2.3 Going concern basis

### (i) *Going concern*

During the year ended 31 December 2021, the Group incurred a net loss of HK\$66,689,000 and had a net cash used in operating activities of HK\$26,995,000. As at 31 December 2021, the Group had a capital deficiencies of HK\$177,508,000 and net current liabilities of HK\$95,170,000 including cash and cash equivalents of HK\$20,835,000 and other borrowings of HK\$143,243,000.

The Coronavirus Disease 2019 (“**COVID-19**”) outbreak that led to a series of severe administrative control and precautionary measures taken by governments and authorities in the People’s Republic of China (the “**PRC**”) disrupted the operations of the Group’s Robotics Business in the PRC. Demand and sales order for Robotic Business were slowed down during 2021.

The duration and intensity of the COVID-19 outbreak and related containment measures remained uncertain. If the present situation in respect of the COVID-19 outbreak continued and the restrictions and control measures are prolonged, the Group’s operating performance and cash flows may continue to be adversely affected.

The above 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 4 January 2021, other borrowings obtained from 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, amounting to approximately RMB32,100,000 (equivalent to HK\$39,306,000) under a facility for the repayment terms of 2 years from drawdown date, which has been extended the repayment terms to 4 years from drawdown date (“**Facility I**”). On 1 December 2021 the Group has entered into another borrowing facility agreement with HJIL for a borrowing facility with a limit of RMB50 million that bears interest at 18% per annum, secured by 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**”) and repayable 48 months from drawdown date (“**Facility III**”). Interest shall be payable upon repayment of principal under both Facility I and Facility III. As at 31 December 2021, outstanding other borrowings under Facility I and facility II (“**Facility II**”) amounted to approximately RMB32,100,000 (equivalent to HK\$39,306,000) and approximately RMB67,138,000 (equivalent to HK\$82,211,000) respectively and no outstanding other borrowings under Facility III. Subsequent to the end of the reporting period, the Group further drawdown of RMB1,540,000 (equivalent to HK\$1,886,000) under Facility I. As at 31 March 2022, facilities of approximately RMB3,360,000 (equivalent to HK\$4,114,000), RMB12,862,000 (equivalent to HK\$15,750,000) and RMB50,000,000 (equivalent to HK\$61,225,000) are available from Facility I, Facility II and Facility III respectively. It is expected that borrowings will continue to be available for drawdown under these facilities as and when needed in the next twelve months;

\* *for identification purposes only*

- (ii) the Group will continue to take active measures to improve profitability and cash flows through various initiatives, such as, leveraging capital investments made in automation to reduce production costs, reduce the material costs through the use of in-house developed components and software, control the staff costs through streamlining headcounts; purchase equipment through leasing arrangements and building stronger relationships with major customers to secure more recurring orders to improve the Group's cash flows from operations; and
- (iii) the Group will continue to source additional funding from external resources.

The directors have reviewed the Group's cash flow projection covering a period of twelve months from 31 December 2021 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 2021. 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:

- (i) the successful drawdown the funds from above-mentioned facilities as and when needed;
- (ii) the successful implementation of business plans for its Robotics Business and improve operating results and generate cash inflows; and
- (iii) the successful to source additional funding from external resources.

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.

### 3 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 segments are 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 three operating segments during the year ended 31 December 2021. Particulars of the Group's reportable segments for continuing and discontinued operations are summarised as follows:

#### **Continuing operation**

Provision of engineering products and related services (*Note*)

#### **Discontinued operations**

- (a) Sale of beauty products; and
- (b) Provision of therapy services.

The Group engaged in the Beauty Business during the year ended 31 December 2021. Upon completion of the novation on 30 June 2021, the Beauty Business was discontinued accordingly. Details of the discontinued operation is set out in note 8. Thereafter, the CODM considered the Group has only one operating 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 over 90% of the Group's revenue from continuing operation and non-current assets (excluded those relating to discontinued operations) were generated from and located in 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:

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
<b>Continuing operation</b>		
Customer A	<u><b>10,321</b></u>	<u>7,896</u>

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

## 4 REVENUE

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Restated)
<b>Continuing operation</b>		
<b>Revenue from contracts with customers</b>		
Provision for engineering products and related services	<u><b>18,455</b></u>	<u>22,754</u>

## 5 OPERATING LOSS

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

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Restated)
<b>Continuing operation</b>		
Auditors' remuneration:		
– audit services	887	1,580
– non-audit services	34	54
Amortisation of other intangible assets (included in cost of sales)	–	6,730
Cost of inventories sold	12,091	22,626
Depreciation of property, plant and equipment	3,112	6,218
Depreciation of right-of-use assets	99	6,259
(Reversal of)/write-down of inventories (included in cost of sales)	(2,571)	4,303
Written-off of inventories	–	4,588
Staff costs (including directors' emoluments)	25,864	49,751
	<u>25,864</u>	<u>49,751</u>

## 6 INCOME TAX CREDIT

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Restated)
<b>Continuing operation</b>		
Canada corporation tax incentive ( <i>note</i> )	328	1,338
Deferred tax credit	–	3,386
	<u>328</u>	<u>4,724</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 will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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.

Canada subsidiaries are subject to Canada corporate tax at 26.5% for both years.

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

*Note:* One of the Company’s subsidiaries in Canada claimed a refundable tax credit as being a qualifying corporation for qualified expenditures on scientific research and experimental development performed in Ontario. The amount of HK\$1,338,000 of Ontario innovation tax credit was refunded by Canada Revenue Agency during the year ended 31 December 2020.

## 7 LOSS PER SHARE

### From continuing and discontinued operations

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

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<b>(38,118)</b>	(109,602)
	<b>2021</b> <i>'000</i> <b>(Unaudited)</b>	2020 <i>'000</i> (Audited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>506,220</b>	506,220

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 for both years.

### From continuing operation

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

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u><u>(28,365)</u></u>	<u><u>(106,218)</u></u>

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted loss per share from continuing and discontinued operations respectively.

### From discontinued operations

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

	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	2020 <i>HK\$'000</i> (Audited)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share (loss for the period/year attributable to owners of the Company)	<u><u>(9,753)</u></u>	<u><u>(3,384)</u></u>

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted loss per share from continuing and discontinued operations respectively.

## 8 DISCONTINUED OPERATIONS

On 30 June 2021, CHEL completed to the Novation with the customers in connection with the Beauty Business to an independent third party. Upon completion of the Novation, the Group was ceased to engaged into Beauty Business, thus Beauty Business classified as the discontinued operations.

The result of the discontinued operations for the period/year, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	<b>Period from 1 January 2021 to respective date of the Novation HK\$'000 (Unaudited)</b>	<b>From 1 January 2020 to 31 December 2020 HK\$'000 (Audited)</b>
Revenue	14,006	32,259
Cost of sales	<u>(10,816)</u>	<u>(21,000)</u>
Gross profit	3,190	11,259
Other income	4,840	2,727
Other losses, net	(18,266)	–
Selling and distribution expenses	(2,517)	(3,840)
Administrative expenses	<u>(4,385)</u>	<u>(10,912)</u>
Operating loss	<u>(17,138)</u>	<u>(766)</u>
Finance costs	<u>(26)</u>	<u>(246)</u>
Loss before income tax	(17,164)	(1,012)
Income tax expense	<u>(280)</u>	<u>(390)</u>
Loss for the period/year from discontinued operations	<u><u>(17,444)</u></u>	<u><u>(1,402)</u></u>



Loss for the period/year from discontinued operations has been arrived at after charging:

	<b>Period from 1 January 2021 to respective date of the Novation HK\$'000 (Unaudited)</b>	From 1 January 2020 to 31 December 2020 HK\$'000 (Audited)
Cost of inventories sold	260	378
Depreciation of property, plant and equipment	390	1,230
Depreciation of right-of-use assets	2,250	4,779
Expenses relating to lease of low-value assets	37	29
Staff costs	7,128	15,379
Written-off of goodwill	18,266	—
	<u>18,266</u>	<u>—</u>

## 9 DIVIDENDS

The directors do not recommend any payment of dividends for the year ended 31 December 2021 (unaudited) (2020: Nil).

## 10 TRADE RECEIVABLES

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

	<b>2021 HK\$'000 (Unaudited)</b>	2020 HK\$'000 (Audited)
0-30 days	1,974	2,296
31-60 days	60	503
61-90 days	44	499
Over 90 days	1,356	3,189
	<u>3,434</u>	<u>6,487</u>

The Group normally allows credit periods to customers up to 120 days.

## 11 TRADE PAYABLES

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

	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Audited)
0-30 days	722	1,268
31-60 days	53	108
61-90 days	279	10
Over 90 days	3,369	135
	<u>4,423</u>	<u>1,521</u>

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

## BUSINESS REVIEW

Due to increased competition and the once-in-a-century COVID-19 epidemic, the performance of the Beauty Business as a whole faced unprecedented challenges. The revenue derived from the Beauty Business decreased significantly in 2021.

On 30 June 2021, China Honest Enterprise Limited (“CHEL”), an indirect non-wholly owned subsidiary of the Company, entered into a Deed of Assignment and novation (the “Novation”), to transfer all of the obligations and liabilities under the contracts (the “Contracts”) with the customers in the Beauty Business to an independent third party, Collagen Plus Company Limited (“CPCL”). CHEL also agreed to assign all of its rights, benefits and interests (including the prepayments) in the Contracts to CPCL. After completion of the novation, the Beauty Business has been discontinued with effect from 30 June 2021 (the “Discontinued Operations”). Details of the Novation was set out in the Company’s announcement dated 30 June 2021.

For the engineering products, 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”).

For the Engineering Business, during the Year, the Group continued to develop and improve its robotic products. The Group has also driven the commercialization of its products at a steady pace through domestic platforms, upon which large-scale of civil application can be expected. For the Year, the revenue of the Engineering Business has decreased by 18.9% and contributed a total revenue of approximately HK\$18.5 million to the total turnover of the Group.

## FINANCIAL REVIEW

### Continuing operation

For the Year, the Group recorded a turnover of approximately HK\$18.5 million, representing a decrease of approximately 18.9% as compared with the corresponding period in 2020 (for the financial year ended 31 December 2020: approximately HK\$22.8 million) from the Engineering Business.

For the Year, the gross profit was approximately HK\$5.3 million (for the financial year ended 31 December 2020: gross loss was approximately of HK\$14.9 million) and the gross profit margin was approximately 28.9% (for the financial year ended 31 December 2020: gross loss margin of 65.6%).

For the Year, other income was approximately HK\$8.6 million (for the financial year ended 31 December 2020: approximately HK\$2.9 million). The other income was mainly attributable to waiver of directors' remuneration accrued in previous years of approximately HK\$5.2 million and sundry income of approximately HK\$3.2 million, which mainly consists of government grants received during the Year.

For the Years, other gain and losses (net) mainly consists of impairment loss of property, plant and equipment of approximately HK\$2.3 million (for the financial year ended 31 December 2020: approximately HK\$6.2 million). The impairment loss on the property, plant and equipment mainly relates to the provision of engineering products and related services CGU (the “**Robotics CGU**”).

The selling and distribution costs for the Year was approximately HK\$5.8 million (for the financial year ended 31 December 2020: approximately HK\$8.3 million), representing a decrease of approximately 30.1% over the corresponding period in 2020. Such decrease was mainly attributed to the decrease in staff cost.

The administrative expenses for the Year was approximately HK\$36.4 million (for the financial year ended 31 December 2020: approximately HK\$75.3 million). The administrative expenses mainly consist of depreciation of property, plant and equipment of HK\$1.6 million (for the financial year ended 31 December 2020: approximately HK\$6.1 million), employee related expense of approximately HK\$21.5 million (for the financial year ended 31 December 2020: approximately HK\$43.1 million), research and development expense of approximately HK\$3.1 million (for the financial year ended 31 December 2020: approximately HK\$3.0 million), Director's remuneration of approximately HK\$4.5 million (for the financial year ended 31 December 2020: approximately HK\$11.6 million) and other administrative expense of approximately HK\$5.7 million (for the financial year ended 31 December 2020: approximately HK\$11.5 million).

The finance costs for the Year was approximately HK\$19.3 million (for the financial year ended 31 December 2020: approximately HK\$11.9 million) and was mainly attributable to interest on long-term loans.

The consolidated loss from continuing operation amounted to approximately HK\$49.2 million for the Year (for the financial year ended 31 December 2020: approximately HK\$130.5 million) and was incurred and generated by the Engineering Business and general corporate activities.

### **Discontinued operations**

The operation of the sale of beauty products and provision of therapy services (collectively referred as the “**Beauty Business**”) was discontinued during the Year.

Loss for the year from the discontinued operations was approximately HK\$17.4 million (for the financial year ended 31 December 2020: approximately HK\$1.4 million).

### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2021, the Group had a total secured borrowing of approximately HK\$121.5 million, which was secured by entire equity interest of a non-wholly owned subsidiary of the Group and carried an interest rate ranging from 15.0% to 18.0%. The Group also had unsecured borrowings of approximately HK\$21.7 million, which carried an effective interest rate of 10.3%.

The total secured and unsecured borrowings of the Group is approximately HK\$143.2 million, out of which approximately HK\$72.6 million will mature within one year, and approximately HK\$70.6 million will mature between two to five years.

Approximately HK\$21.7 million of the borrowings are denominated in Hong Kong dollar and approximately HK\$121.5 million of the borrowings are denominated in Renminbi.

As at 31 December 2021, the Group had total assets of approximately HK\$46.0 million (31 December 2020: approximately HK\$141.2 million), including cash and cash equivalents of approximately HK\$20.8 million (31 December 2020: approximately HK\$58.0 million).

### **CAPITAL STRUCTURE**

As at 31 December 2021, the total issued share capital of the Company was HK\$50,622,000 (31 December 2020: HK\$50,622,000) divided into 506,219,666 (31 December 2020: 506,219,666) ordinary shares of HK\$0.1 each.

## USE OF NET PROCEEDS FROM ISSUANCE OF ORDINARY SHARES

The net proceeds from the subscription of 21,000,000 new shares of the Company which was completed on 4 August 2017 were HK\$130.0 million. The use of proceeds is as follows:

Intended use	Net proceeds 'million	Utilisation	Utilisation	Utilisation	Utilisation	Remaining balance 'million
		up to 31 December 2018 'million	up to 31 December 2019 'million	up to 31 December 2020 'million	up to 31 December 2021 'million	
Construction of production plants	38.3	27.9	35.6	38.3	38.3	–
General working capital	91.7	80.0	80.0	80.0	91.7 <sup>(Note)</sup>	–
	<u>130.0</u>	<u>107.9</u>	<u>115.6</u>	<u>118.3</u>	<u>130.0</u>	<u>–</u>

*Notes:* During the year ended 31 December 2021, the company had reallocated the remaining balance of approximately HK\$11.7 million from construction of production plants to general working capital. The outbreak of novel coronavirus disease (COVID-19) pandemic have all affected the global social and economic environments. As the management was of the view that the current production capacity of the Group could meet the contractual demands of customers, there was no urgent need to expand the Group's production capacity. The reallocation of the unutilised net proceeds should be appropriately adjusted to better cope with the current economic conditions and future challenges brought by COVID-19.

## GEARING RATIO

The gearing ratio, expressed as a percentage of total borrowings to capital deficiencies attributable to owners of the Company, was approximately 277% (31 December 2020: approximately 636%). The increase in the gearing ratio is due to the increase in other borrowings.

## PLEDGE OF ASSETS

As at 31 December 2021, the Group's restricted bank deposits of approximately HK\$Nil million (as at 31 December 2020: approximately HK\$19.0 million) were deposits held at a bank in respect of credit card and instalment sales arrangements for the Beauty Business.

Besides, the equity interests of a non-wholly owned subsidiary was pledged to secured other borrowings.

## 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**

As at 31 December 2021, the Group had no material contingent liabilities.

## **EMPLOYEES**

As at 31 December 2021, the Group had 77 employees (as at 31 December 2020: 98 employees). Total staff costs of continuing and discontinued operations including Directors' emoluments for the Year amounted to approximately HK\$33.0 million (for the financial year ended 31 December 2020: approximately HK\$65.1 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 and the employees in Canada joined the government-mandated retirement plan.

## **SIGNIFICANT INVESTMENT**

The Group did not make any significant investment during the year ended 31 December 2021.

## **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 ended 31 December 2021.

## **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**

In 2022, it is the norm for society to fight against the COVID-19 epidemic and thus the impact of it is diminishing gradually. Driven by the epidemic, more and more industries have begun to use intelligent robots, which has promoted the development of robot, and the structural divergence trend in terms of market demand is increasingly obvious. Firstly, the break out of new energy has become an important driving force for the development of industrial robots. Secondly, increasing investment in the electronics industry will provide continuous force for the growth of robots. Thirdly, affected by the COVID-19 epidemic, many industries have sped up the rate of replacing human labor with machines, such as industries of metal processing, medical supplies, food and beverage, household appliances, etc.. It is estimated that the annual sales growth rate of China's robot market is around 15%-20%, and the localization rate is steadily increasing, which is expected to exceed 41% in 2022.

In China, the robotics industry has gained strategic attention at the national level and it will achieve further development benefit by favorable policies. In December 2021, 15 departments including the Ministry of Industry and Information Technology, the national Development and Reform Commission, and the Ministry of Science and Technology officially issued the “Fourteenth Five-Year Plan for the Robotics Industry”, proposing that during the “Fourteenth Five-Year Plan” period, a number of core robot technologies and high-end products will be promoted to make breakthroughs, the comprehensive indicators of whole machines will reach international advanced levels, and the performance and reliability of key components will reach a level similar to international products. The annual average growth rate of the robotics industry operation income will exceed 20%. A batch of leading enterprises with international competitiveness and a large number of specialized and new “Small Technology Giants” enterprises with strong innovative abilities and good growth potential will stand out, to build three to five industrial clusters with international influence. The density of manufacturing robot doubled. In April 2021, the “Fourteenth Five-Year Plan for Intelligent Manufacturing Development” also proposed to take actions to innovate and develop the intelligent manufacturing equipment and promote the development of innovative products such as intelligent mobile robots and semiconductor robots. As a result, the direction for Group’s future development and its prospects are clearer.

Under the dual promotion of government capital and social capital, various AI technologies have been brought out from the labs to society. They penetrated in various fields of industries at a faster pace, and were widely applied in intelligent robot, finance, security, search, education and other fields. Driven by the new generation of artificial intelligence, venture capital into the AI investment market has grown steadily, and the investment value reached \$9.3 billion in 2018. In 2021, enterprises in the intelligent robotics industry are widely favored by the capital. In the past ten years, the investment and financing of the industry has exceeded \$100 billion. Financed by major investment institutions, a large number of robotics industry companies have greatly expanded their recruitment, increased R&D investment and marketing expenses, driving the continuous expansion of the robotics industry. It is estimated that the AI market will bring 14% additional increase in global GDP, representing \$1.57 billion. Due to the huge market potential, robot products have gained huge exposure and have widely penetrated in market. In addition, the corporate customers’ understanding and awareness of the industry have been significantly improved, resulting in the emergence of many high-quality companies and independent brands in the industry. However, certain unreasonable venture capital activities have intensified the fierce competition in the industry and the expansion of the industry scale, resulting in a great waste of resources. The application of artificial intelligence and robot technology in daily life needs more comprehensive test, and the business model needs further exploration to prove the sustainability of the business. The Group calls on all market participants, including peer companies and investment institutions, to actively take responsibility for the market.

According to the Report on the Development of the Robotics Industry in China for 2021, China's intelligent robot market in 2021 was expected to reach RMB83.9 billion, among which, the industrial robot market reached RMB44.57 billion, and is expected to break through RMB58.9 billion by 2023. By 2023, the China industrial robot market will exceed \$10 billion. Currently, with the increasing demand for intelligent transformation and upgrades in production and manufacturing in China, the demand for industrial robots remains booming. China's industrial robot market, accounting for about one-third of the global market share and being the world's largest industrial robotics application market, has maintained positive development. With the development of traditional robots in vision, intelligent sensing and cloud technology, robots will be more intelligent and flexible in the future, and will be optimized from traditional robots to co-integration robots. The Group will also continue to insist on driving innovation, intelligent transformation, foundation enhancement, and green development, focusing on promoting the research and development and application of robot products, improving performance, quality and safety, developing and utilizing networked, digital and intelligent technologies, combining mobile Internet, cloud computing, big data and IoT, and actively promoting the high-end and intelligent development of products.

With the explosive growth of the robot market, the risks of the industry cannot be ignored. More and more enterprises are entering this area, and at the same time, the demand for robot products is affected by changes in the macro economy and industry cycles, which brings certain risks to the price of robot products or services as well as changes in supply and demand. Secondly, the adequacy, stability and price changes of the supply of raw materials and key components of robots will also pose market risks. In terms of suppliers, once the suppliers fail to provide the production factors required for the production and operation to robotics enterprises in a timely manner, the credit risks of suppliers may occur, which may result in the failure of the production and operation of enterprises to proceed normally. At the same time, the robotics industry is also vulnerable to the impact of national industrial policies, and changes in tax policies and interest rates may bring unexpected risks to enterprises at any time. In addition, the threat of potential entrants, the threat of competition from existing enterprises, and the threat of substitution of alternatives may also lead to market risks. Technological innovation is also a dynamic risk with its own complexity. The Group needs to be well prepared for a variety of scenarios.

There will be no cold winter for AI in the future, however, we still need to take into account the intensity and duration of the impact on the service industry and intelligent manufacturing in the process of continuous technological advancement and business model improvement. The Group's business will also face significant challenges in the future as demand for AI is further released.



## **AUDIT COMMITTEE**

The Company has established the Audit Committee (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 2021 and up to the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Ms. Han Xiao (Chairlady), Mr. Tam B Ray, Billy and Ms Zhao Yang. The Audit Committee has reviewed the unaudited annual results of the Group for the year ended 31 December 2021.

## **REVIEW OF UNAUDITED ANNUAL RESULTS**

The auditing process for the annual results for the year ended 31 December 2021 has not been completed due to the implementation of the COVID-19 pandemic prevention and control social distancing measures, including the suspension of the operation of beauty parlours until 20 April 2022. The unaudited annual results contained herein have not been agreed with the Company’s auditors as required under Rule 18.49 of the GEM Listing Rules. As set out in Note 2.3 in the unaudited annual results announcement, there are events and conditions that may affect the ability of the Group to continue as a going concern. There is no certainty that the auditor would issue an unqualified opinion on the consolidated financial statements in this regard. An announcement relating to the audited results is expected to be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants in late April 2022.

The Audit Committee has reviewed with the management this unaudited annual results announcement and the 2021 unaudited consolidated financial statements. The Audit Committee has no disagreement on any accounting treatments which had been adopted or particulars published in this unaudited annual results announcement.

## **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.

During the year under review, the Company had complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules which was effective for the year ended 31 December 2021.

#### **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 2021.

#### **DELAY IN PUBLICATION OF AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021 AND DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The unaudited financial results of the Group for the year ended 31 December 2022 have not been agreed by the auditors of the Company. As a result of the implementation of the COVID-19 pandemic prevention and control social distancing measures, including the suspension of the operation of beauty parlours until 20 April 2022. As such, some of important audit procedures were not able to complete on time and our auditors were not able to carry out the field work as originally planned. The return of valuation report for impairment of assessment is not completed during the Government policy of the COVID-19. These factors have led to a serious delay in our book closing as well as the auditing process. Based on the communication with the auditors of the Company, the Company expects that the annual report of the Company for the year ended 31 December 2021 will be published on or before 30 April 2022. The financial information of the Group for the year ended 31 December 2021 contained herein in respect of the annual results of the Group for the year ended 31 December 2021 have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

## **FURTHER ANNOUNCEMENT(S)**

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the year ended 31 December 2021 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein, (ii) the proposed date on which the forthcoming annual general meeting will be held, and (iii) the period during which the register of members holding ordinary shares will be closed in order to ascertain shareholders' eligibility to attend and vote at the said meeting (and the proposed arrangements relating to dividend payment, if any). In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the auditing process. The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board  
**SuperRobotics Holdings Limited**  
**Su Zhituan**  
*Executive Director and Chairman*

Hong Kong, 31 March 2022

*As at the date of this announcement, the Board comprises one executive directors, namely Mr. Su Zhituan (Chairman), and one non-executive directors, namely Mr. Fan Yu, three independent non-executive directors, namely Mr. Tam B Ray, Billy, Ms. Han Xiao and Ms. Zhao Yang. This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://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](http://www.superrobotics.com.hk).*