

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**Beijing UBOX Online Technology Corp.**  
**北京友寶在線科技股份有限公司**

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

**(Stock Code: 2429)**

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

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing UBOX Online Technology Corp. (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for year ended December 31, 2023. These results have been prepared in accordance with the applicable requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Hong Kong Financial Reporting Standards and has been reviewed by the Audit Committee (“**Audit Committee**”) of the Board of the Company. This announcement complies with the relevant requirements of the Listing Rules in relation to information to accompany preliminary announcements of annual results.

In this announcement, “we”, “us”, and “our” refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above). Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

## SUMMARY

### Financial Overview

	For the year ended December 31,				
	2023	As a	2022	As a	Year-on-
	<i>RMB'000</i>	percentage	<i>RMB'000</i>	percentage	year
		of revenue		of revenue	change
		%		%	%
Revenue	<b>2,672,020</b>	<b>100.0</b>	2,519,224	100.0	6.1
Cost of sales <sup>(1)</sup>	<b>(1,583,351)</b>	<b>(59.3)</b>	(1,442,488)	(57.3)	9.8
Gross profit	<b>1,088,669</b>	<b>40.7</b>	1,076,736	42.7	1.1
Operating loss <sup>(2)</sup>	<b>(299,457)</b>	<b>(11.2)</b>	(243,670)	(9.7)	22.9
Loss before income tax	<b>(313,998)</b>	<b>(11.8)</b>	(272,256)	(10.8)	15.3
Loss for the year	<b>(319,473)</b>	<b>(12.0)</b>	(283,069)	(11.2)	12.9
Loss for the year attributable to:					
– Owners of the Company	<b>(327,295)</b>	<b>(12.3)</b>	(284,529)	(11.3)	15.0
– Non-controlling interests	<b>7,822</b>	<b>0.3</b>	1,460	0.1	435.8
Adjusted EBITDA (non-HKFRS measure)	<b>65,516</b>	<b>2.5</b>	21,024	0.8	211.6
Adjusted net loss (non-HKFRS measure)	<b>(203,194)</b>	<b>(7.6)</b>	(260,992)	(10.4)	(22.1)

#### Notes:

1. Consists of (i) cost of inventories sold, (ii) subcontractor cost of advertising resources, (iii) taxes and surcharges and others.
2. Operating loss represent gross profit net of (i) selling and marketing expenses, (ii) general and administrative expenses, (iii) research and development expenses, (iv) net impairment loss on financial assets, (v) other income, and (vi) other losses, net.

## Operating Metrics

	As of December 31, 2023	2022	Year-on-year change %
<b>Ubox POSs by city tier</b>			
Tier one cities	19,117	19,929	(4.1)
New tier one cities	20,546	23,077	(11.0)
Tier two cities	12,719	14,405	(11.7)
Tier three cities	5,030	5,820	(13.6)
Others	2,309	3,001	(23.1)
<b>Total</b>	<b>59,721</b>	<b>66,232</b>	<b>(9.8)</b>
	As of December 31, 2023	2022	Year-on-year change %
<b>Ubox POS by consumption scenario</b>			
Schools	16,230	18,706	(13.2)
Factories	15,911	16,998	(6.4)
Office premises	12,381	13,876	(10.8)
Public venues <sup>(1)</sup>	7,550	8,751	(13.7)
Transportation hubs	1,618	2,265	(28.6)
Restaurants	723	1,636	(55.8)
Others <sup>(2)</sup>	5,308	4,000	32.7
<b>Total</b>	<b>59,721</b>	<b>66,232</b>	<b>(9.8)</b>

### Notes:

- Public venues include, among others, tourist attractions, parks, hospitals, shopping centers and sports venues.
- Others primarily include hotels, local communities and residential apartments.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

In 2023, the Group recorded total revenue of RMB2,672.0 million, representing a year-on-year growth of 6.1%; the Group recorded gross profit of RMB1,088.7 million, representing a year-on-year growth of 1.1%; loss for the year attributable to equity shareholders of the Company amounted to RMB327.3 million, representing a year-on-year increase of 15.0%; the Group's adjusted EBITDA (non-HKFRS measure) amounted to RMB65.5 million, representing a year-on-year growth of 211.6%; the Group's adjusted net loss (non-HKFRS measure) amounted to RMB203.2 million, representing a year-on-year decrease of 22.1%. The Group recorded positive operating cash inflow of RMB106.6 million, which was in a good cash flow condition.

As of December 31, 2023, the number of our Ubox POSs was 59,721, representing a year-on-year decrease of 9.8%; the number of our POS partners (excluding restaurant model partners) was 1,932, representing a year-on-year increase of 3.0%; the number of restaurant model partners was 704, representing a year-on-year decrease of 56.5%; the number of Non-Ubox POSs was 17,909, representing a year-on-year increase of 3.7%.

### Unmanned retail business

In 2023, we continued to engage in the sales of FMCG through vending machines through our vast network of Ubox POSs across mainland China, supported by our data-driven operation system. We continued to offer consumers swift and convenient access to a broad selection of FMCG, including bottled beverages, snacks and freshly brewed coffee and other beverages.

The major categories of our vending machines included:

- *Pick-and-go cabinet*, our latest vending machine model that is equipped with the latest hardware technologies, structure design and lighting and combined use of biometric authentication, credit assessment algorithm and IoT technologies. It automatically detects merchandise that has been removed and check out when the consumer closes the door, simplifying the transaction process and creating a new, hassle-free consumption experience.
- *Beverage vending machine*, a vending machine that is equipped with a touch screen and biometric authentication device, it is designed to offer consumers an optimal experience in purchasing canned and bottled beverages. Our beverage vending machine is equipped with built-in biometric authentication device, allowing it to interact with the consumers' electronic wallets which support biometric authentication. It also has a dynamic energy saving system that is capable of heating and cooling the merchandise, which allows operators to adjust the category of merchandise based on seasonal needs.

- *Beverage and snack vending machine*, a vending machine that suits various consumption scenarios. With expandable inner cabinet volume, the beverage and snack vending machine can accommodate a broad range of merchandise, including fragile items and merchandise with irregular packaging. With adjustable shelf and rack spaces, and the capability of cooling the merchandise, it has the versatility to adapt to a wide range of scenarios, allowing operators to adjust the category of merchandise based on a range of factors, including seasonal needs.
- *Freshly brewed beverage vending machine*, a machine developed by us, that can serve consumers with a wide selection of freshly brewed beverages on demand, including freshly ground and capsule coffee, tea, juice, chocolate and other special drinks such as milk tea and Chinese sweet soup.

The table below sets forth the number of Ubox POSs by type of vending machines as of the dates indicated:

	<b>As of December 31,</b>		Year-on-year
	<b>2023</b>	2022	change
			%
<b>Vending machines by type</b>			
Pick-and-go cabinets	<b>36,861</b>	37,660	(2.1)
Beverage vending machines	<b>17,330</b>	23,760	(27.1)
Beverage and snack vending machines	<b>2,781</b>	2,056	35.3
Freshly brewed beverage vending machines	<b>2,363</b>	2,353	0.4
Others <sup>(1)</sup>	<b>386</b>	403	(4.2)
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>59,721</b>	66,232	(9.8)
	<hr/>	<hr/>	<hr/>

*Note:*

(1) Others include other types of machines such as orange juice machines and coconut juice machines.

Despite most travel restrictions and quarantine requirements were lifted in December 2022, which has led to the overall recovery of consumer traffic and business activities in 2023, the number of our Ubox POSs decreased from 2022 to 2023, which was mainly because our Company, the POS partners and some other business partners such as site owners adopted a prudent approach towards the pace of recovery in the macro-environment under the prolonged impact of the pandemic and slowed down the expansion of the POS network in the same period.

Despite the decrease in the number of our Ubox POSs, our overall operation result had improved after the relaxation of the travel restrictions and quarantine requirements in 2023 and the average monthly GMV of our vending machines had increased significantly in the same period. The table below sets forth average monthly GMV of each type of our vending machines at Ubox POSs, excluding POSs of POS partners who are restaurant model partners, for the periods indicated:

	<b>As of December 31,</b>		Year-on-year
	<b>2023</b>	2022	change
			%
	<i>(RMB per machine per month)</i>		
<b>Monthly GMV by type of vending machines</b>			
Pick-and-go cabinets	<b>2,746</b>	2,192	25.3
Beverage vending machines	<b>4,172</b>	3,608	15.6
Beverage and snack vending machines	<b>3,149</b>	2,365	33.2
Freshly brewed beverage vending machines	<b>947</b>	934	1.4
Others <sup>(1)</sup>	<b>1</b>	12	(91.7)
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>3,154</b>	2,700	16.8%
	<hr/>	<hr/>	<hr/>

*Note:*

(1) Others include other types of machines such as orange juice machines and coconut juice machines.

The overall average monthly GMV of our vending machines, in particular, our pick-and-go cabinets, beverage vending machines and beverage and snack vending machines, increased during the Reporting Period primarily due to the recovery of consumer traffic and sales in 2023 following the relaxation of COVID-19 policies and the strategic closure of some under-performing POSs.

### **Advertising and system support services**

In 2023, we continued to leverage our technology and data analytics capabilities to support our digital advertising platform, which consisted primarily of (i) display screen advertising services, (ii) after-payment advertising services, (iii) merchandise display advertising services and (iv) machine body advertising services. Our retail platform allowed us to provide advertisers with extensive reach across the country. We continued to allow advertisers to deliver engaging advertising experience to consumers, which was further complemented by our ability to precisely push advertising content to consumers' mobile devices to provide optimal marketing results. As of December 31, 2023, we had 142 digital advertising service customers.

### **Merchandise wholesale**

In 2023, in addition to selling directly to consumers through our retail platform, we also continued to sell merchandise to customers (who are typically vending machine operators) on a wholesale basis as our buyers rather than agents. We continued to leverage our data-driven

operation network, procurement cost advantage resulting from bulk purchase and storage facilities to provide merchandise wholesale, which mainly comprised beverages and snacks, to our merchandise wholesale customers. As of December 31, 2022 and 2023, we had 496 and 1,196 merchandise wholesale customers, respectively. The number of our merchandise wholesale customers increased from 2022 to 2023 primarily due to our active expansion in our shared warehouse business. The increase in the merchandise wholesale customers was in line with the increase in the segment revenue from merchandise wholesale during the Reporting Period.

Some of our merchandise wholesale customers were also our Non-Ubox POS operators, who operated vending machines that were connected to our operation system. As of December 31, 2022 and 2023, 216 and 312 of our merchandise wholesale customers were also our Non-Ubox POS operators, respectively. Such increase during the Reporting Period was primarily due to our active expansion in the shared warehouse business, some of our merchandise wholesale customer, by using of our platform, became our Non-Ubox POS operators.

### **Vending machine sales and leases**

In 2023, we continued to sell, lease and/or provide hardware support services, including machine installation and maintenance services, for vending machines to our Non-Ubox POS operator. In 2022 and 2023, the average selling price of vending machines sold was RMB7,130 and RMB5,010, respectively. The average selling price of vending machines decreased in 2023, primarily because (i) the proportion of pick-and-go cabinets with relatively lower selling prices among the vending machines sold increased in the same period, and (ii) the vending machines sold in the same period were mainly old version machines with discounted prices.

### **Others**

In 2023, we continued to offer other services, which mainly comprised mobile device distribution services, karaoke booth services, karaoke booth sales and leases, and karaoke booth operation system support. These are currently not the focus of our business, and we do not expect significant growth in these business segments.

### ***Mobile Device Distribution Services***

In 2023, we continued our non-exclusive distribution arrangement with mobile phone manufacturers and offered unmanned mobile phones and accessories retail solutions to authorized resellers of major mobile phone manufacturers with our digitalization capabilities and our extensive experience in vending machine operations. In particular, we digitalized the delivery of mobile phones and accessories from mobile device resellers to consumers with our customized mobile device cabinets, namely (i) U-Buy Cloud Cabinet (優寶雲店) for the sales of mobile phones and accessories, and (ii) U-Buy Cloud Warehouse (優寶雲倉) for storage of mobile phones and accessories. Our U-Buy Cloud Cabinets and U-Buy Cloud Warehouses are equipped with 24-hour video surveillance and visual identification technologies to avoid damage or loss of merchandise. As of December 31, 2023, we had launched three U-Buy Cloud Cabinets and 623 U-Buy Cloud Warehouses in 502 offline stores operated by authorized resellers of major mobile phone manufacturers across mainland China. As of December 31, 2023, we cooperated with 16 resellers in our mobile device distribution services.

## ***Karaoke Booth Services, Karaoke Booth Sales and Leases, and Karaoke Booth Operation System Support***

In 2023, we continued to operate our network of karaoke booths. Our karaoke booth is a small, soundproof and air-conditioned booth where a maximum of two patrons can sing along to music from our extensive collection. As of December 31, 2023, we had a total of 1,148 karaoke booths POSs under the direct operation model and 1,720 karaoke booths POSs under franchising model, situated in 262 cities in mainland China. As of December 31, 2023, our music library consisted of more than 28,000 songs in different categories.

In 2023, we continued to (i) sell, lease and/or provide hardware support services, including machine installation and maintenance services, for karaoke booths to karaoke booth franchisees and (ii) provide operation system support to karaoke booth franchisees by allowing them to connect their machines to our operation system, under which the karaoke booth franchisees could access our music library over the cloud operated by third-party cloud service providers and entertainment system that supported interactive functions such as ordering songs and scoring. As of December 31, 2023, we had 580 franchisees operating the karaoke booths under franchising model.

## **FINANCIAL REVIEW**

### **Revenue**

We generated revenue during the Reporting Period from (i) unmanned retail business, (ii) advertising and system support services, (iii) merchandise wholesale, (iv) vending machine sales and leases and (v) others. Others mainly include mobile device distribution services, karaoke booth services, karaoke booth sales and leases, and karaoke booth operation system support across mainland China.

The table below sets forth our revenue by business segment for the periods presented:

	<b>For the year ended December 31,</b>				<b>Year-on-year change</b>
	<b>2023</b>		<b>2022</b>		
	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>%</b>	<b>%</b>
Unmanned retail business	<b>2,034,322</b>	<b>76.1</b>	1,974,657	78.4	3.0
Advertising and system support services	<b>115,556</b>	<b>4.3</b>	194,271	7.7	(40.5)
– Digital advertising services	<b>101,854</b>	<b>3.8</b>	176,216	7.0	(42.2)
– Operation system support	<b>13,702</b>	<b>0.5</b>	18,055	0.7	(24.1)
Merchandise wholesale	<b>287,214</b>	<b>10.7</b>	131,795	5.2	117.9
Vending machine sales and leases	<b>27,502</b>	<b>1.0</b>	33,840	1.3	(18.7)
Others	<b>207,426</b>	<b>7.9</b>	184,661	7.4	12.3
<b>Total</b>	<b>2,672,020</b>	<b>100.0</b>	<b>2,519,224</b>	<b>100.0</b>	<b>6.1</b>



- *Unmanned retail business.* Our revenue from unmanned retail business for the year ended December 31, 2023 amounted to RMB2,034.3 million, representing a year-on-year increase of 3.0%. The increase was primarily due to the increase in our sales of FMCG through our POS network as a result of the overall recovery of consumer traffic and business activities following the relaxation of COVID-19 policies since December 2022.
- *Advertising and system support services.* Our revenue from advertising and system support services for the year ended December 31, 2023 amounted to RMB115.6 million, representing a year-on-year decrease of 40.5%. The decrease was primarily because the demand for our digital advertising services from advertisers had not fully recovered in 2023 despite the relaxation of COVID-19 policies as the advertisers generally adopted a prudent approach towards their marketing strategies and the placing of advertisements.
- *Merchandise wholesale.* Our revenue from merchandise wholesale for the year ended December 31, 2023 amounted to RMB287.2 million, representing a year-on-year increase of 117.9%. The increase was primarily due to the significant increase in the number of merchandise wholesale customers as a result of the active implementation of our shared warehouse initiative coupled with the increase in procurement from merchandise wholesale customers following the relaxation of COVID-19 policies in late 2022.
- *Vending machine sales and leases.* Our revenue from vending machine sales and leases for the year ended December 31, 2023 amounted to RMB27.5 million, representing a year-on-year decrease of 18.7%. The decrease was primarily due to the decrease in the average selling price of vending machines sold and the decrease in number of vending machines leased in 2023.
- *Others.* Our other segment results mainly include mobile device distribution services, karaoke booth services, karaoke booth sales and leases, and karaoke booth operation system support across mainland China. Our revenue from other segments for the year ended December 31, 2023 amounted to RMB207.4 million, representing a year-on-year increase of 12.3%. The increase was primarily due to the increase in revenue of our mobile phones distribution service following the recovery of the downstream mobile device retail market in 2023.

## Cost of Sales

Our cost of sales consists of (i) cost of inventories sold, (ii) subcontractor cost of advertising resources, (iii) depreciation of property and equipment, (iv) depreciation of right-of-use assets, and (v) taxes and surcharges. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	For the year ended December 31,				Year-on-year change %
	2023		2022		
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	
Cost of inventories sold	<b>1,555,461</b>	<b>98.2</b>	1,368,474	94.9	13.7
Subcontractor cost of advertising resources	<b>1,790</b>	<b>0.1</b>	33,507	2.3	(94.7)
Depreciation of property and equipment	<b>7,338</b>	<b>0.5</b>	15,428	1.1	(52.4)
Depreciation of right-of-use assets	<b>10,092</b>	<b>0.6</b>	18,095	1.3	(44.2)
Taxes and surcharges	<b>8,670</b>	<b>0.6</b>	6,984	0.4	24.1
<b>Total</b>	<b><u>1,583,351</u></b>	<b><u>100.0</u></b>	<b><u>1,442,488</u></b>	<b><u>100.0</u></b>	<b><u>9.8</u></b>

Our cost of sales increased by 9.8% from RMB1,442.5 million for the year ended December 31, 2022 to RMB1,583.4 million for the year ended December 31, 2023. The increase was primarily due to the increase in cost of inventories sold, which was in line with the increase in our revenue from unmanned retail business, merchandise wholesale and mobile device distribution services.

## Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by business segment for the periods indicated:

	For the year ended December 31,				Year-on-year change %
	2023		2022		
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	
Unmanned retail business	931,561	45.8	891,398	45.1	4.5
Advertising and system support services	113,391	98.1	160,225	82.5	(29.2)
– Digital advertising services	99,734	97.9	142,233	80.7	(29.9)
– Operation system support	13,657	99.7	17,992	99.7	(24.1)
Merchandise wholesale	11,049	3.8	5,225	4.0	111.5
Vending machine sales and leases	6,683	24.3	10,792	31.9	(38.1)
Others	25,985	12.5	9,096	4.9	185.7
<b>Total</b>	<b>1,088,669</b>	<b>40.7</b>	<b>1,076,736</b>	<b>42.7</b>	<b>1.1</b>

For the year ended December 31, 2023, we recorded a consolidated gross profit of RMB1,088.7 million, representing a year-on-year increase of 1.1%. Our consolidated gross profit margin for the year ended December 31, 2023 was 40.7%, representing a year-on-year decrease of 2.0 percentage points.

The above year-on-year changes in our gross profit and gross profit margin for the year ended December 31, 2023 were primarily due to the decrease in revenue contribution from advertising and system support services which typically recorded higher gross profit margin than other business segments and an increase in revenue contribution from merchandise wholesale and mobile device distribution services which typically recorded lower gross profit margin than other business segments.

## Selling and Marketing Expenses

Our selling and marketing expenses decrease by 2.6% from RMB1,155.7 million for the year ended December 31, 2022 to RMB1,125.7 million for the year ended December 31, 2023. The decrease was primarily due to the decrease in employee benefit expenses as we downsized our internal sales team in 2023.

## **General and Administrative Expenses**

Our general and administrative expenses increased by 67.4% from RMB127.4 million for the year ended December 31, 2022 to RMB213.3 million for the year ended December 31, 2023. The increase was primarily due to the increase in share-based compensation expenses of RMB73.7 million in relation to the share options granted to our directors, supervisors or members of senior management on January 10, 2023 pursuant to the Pre-IPO Incentive Scheme.

## **Research and Development Expenses**

Our research and development expenses decreased by 8.0% from RMB31.6 million for the year ended December 31, 2022 to RMB29.0 million for the year ended December 31, 2023. The decrease was primarily due to the decrease in employee benefit expenses as a result of the decrease in average headcount and number of research projects in 2023.

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

Our net impairment losses on financial assets, which primarily comprised impairment losses on trade and other receivables, decreased by 43.2% from RMB9.3 million for the year ended December 31, 2022 to RMB5.3 million for the year ended December 31, 2023. The decrease was primarily because the outlook for macroeconomic conditions in 2023 was more optimistic than 2022, resulting in the decrease in the expected credit loss rate for trade receivables aged 0-12 months and other receivables and the decrease in the balance of trade receivables as a result of our collection efforts, including communication with relevant customers and monitoring of credit terms in 2023.

## **Other Income**

Our other income consists of (i) additional deduction of input value-added tax, (ii) interest income arising from trade receivables and bank deposits, (iii) government grants, (iv) interest income from wealth management products, and (v) others. Our other income decreased by 55.1% from RMB12.0 million for the year ended December 31, 2022 to RMB5.4 million for the year ended December 31, 2023. The decrease was primarily due to the decrease in government grants.

## **Other Losses, Net**

Our other net losses consists of (i) net losses on disposal of property and equipment, (ii) net losses on disposal of subsidiaries, (iii) fair value change on financial assets at fair value through profit or loss, (iv) net foreign exchange losses, and (v) others. Our other net losses increased by 138.4% from RMB8.5 million for the year ended December 31, 2022 to RMB20.2 million for the year ended December 31, 2023. The increase was primarily due to the losses from the disposal of 51% equity interests in Sichuan Youlin Kesi Technology Co., Ltd. (四川友鄰科斯科技有限公司) and the disposal of fixed assets in 2023.

## **Finance Costs**

Our finance costs decreased by 35.5% from RMB13.3 million for the year ended December 31, 2022 to RMB8.6 million for the year ended December 31, 2023. The decrease was primarily due to the decrease in interest expense on lease liabilities as a result of the expiration of finance lease contracts.

## **Income Tax Expenses**

Our income tax expenses decreased by 49.4% from RMB10.8 million for the year ended December 31, 2022 to RMB5.5 million for the year ended December 31, 2023. The decrease in the income tax expenses was primarily due to the increase in utilization of tax losses and temporary differences previously not recognized.

## **Loss for the Year**

As a result of the foregoing reasons, our net loss for the year increased by 12.9% from RMB283.1 million for the year ended December 31, 2022 to RMB319.5 million for the year ended December 31, 2023.

## **Non-HKFRS Measures: adjusted EBITDA and adjusted net loss**

To supplement our financial information which are presented in accordance with HKFRS, we use non-HKFRS measures, namely, adjusted EBITDA and adjusted net loss, as additional financial measures, which are not required by, or presented in accordance with, HKFRS. We believe that such non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that such measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted EBITDA and adjusted net loss may not be comparable to similarly titled financial measures presented by other companies. The use of such non-HKFRS measures have limitations as analytical tools, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

We define adjusted EBITDA (non-HKFRS measure) as EBITDA (which is loss for the year plus depreciation of property and equipment and right-of-use assets, amortization of intangible assets, income tax expenses and interest expenses on borrowings and lease liabilities) for the year adjusted by adding (i) share-based compensation expenses and (ii) listing expenses. We define adjusted net loss (non-HKFRS measure) as loss for the year adjusted for (i) share-based compensation expenses and (ii) listing expenses.

The following table sets out adjusted EBITDA (non-HKFRS measure) and adjusted net loss (non-HKFRS measure), and a reconciliation from loss for the year to adjusted EBITDA (non-HKFRS measure) and adjusted net loss (non-HKFRS measure) for the periods indicated.

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Loss for the year	<b>(319,473)</b>	(283,069)
Add		
Depreciation of property and equipment, right-of-use assets	<b>239,277</b>	242,030
Amortization of intangible assets	<b>15,357</b>	15,842
Income tax expenses	<b>5,475</b>	10,813
Interest expenses on borrowings and lease liabilities	<b>8,601</b>	13,331
EBITDA	<b>(50,763)</b>	(1,053)
Add		
Share-based compensation expenses	<b>84,026</b>	–
Listing expenses	<b>32,253</b>	22,077
Adjusted EBITDA (non-HKFRS measure)	<b>65,516</b>	21,024
Loss for the year	<b>(319,473)</b>	(283,069)
Add		
Share-based compensation expenses	<b>84,026</b>	–
Listing expenses	<b>32,253</b>	22,077
Adjusted net loss (non-HKFRS measure)	<b>(203,194)</b>	(260,992)

For the year ended December 31, 2023, our adjusted EBITDA (non-HKFRS measure) amounted to RMB65.5 million, representing an increase of RMB44.5 million or 211.6% as compared with RMB21.0 million for the year ended December 31, 2022, which was mainly due to (i) the increase in the average monthly GMV of our vending machines as a result of the overall recovery of consumer traffic and business activities following the relaxation of COVID-19 policies since December 2022 and (ii) the expansion of our merchandise wholesale business in 2023.

For the year ended December 31, 2023, our adjusted net loss (non-HKFRS measure) amounted to RMB203.2 million, representing a decrease of RMB57.8 million or 22.1% as compared with RMB261.0 million for the year ended December 31, 2022, which was mainly due to (i) the increase in the average monthly GMV of our vending machines as a result of the overall recovery of consumer traffic and business activities following the relaxation of COVID-19 policies since December 2022 and (ii) the expansion of our merchandise wholesale business in 2023.

## Liquidity and Capital Resources

We have maintained a comprehensive treasury policy, detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management and liquidity management. We manage and maintain our liquidity through the use of internally generated cash flows from operations, bank borrowings and proceeds from the Global Offering. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

For the year ended December 31, 2023, we funded our working capital and other capital expenditure requirements through a combination of income generated from our business operations, bank borrowings and capital contributions from our shareholders. The following table sets forth a summary of our cash flows for the periods indicated.

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Net cash generated from operating activities	<b>106,618</b>	153,918
Net cash used in investing activities	<b>(53,765)</b>	(105,250)
Net cash generated from/(used in) financing activities	<b>169,086</b>	(92,876)
Net increase/(decrease) in cash and cash equivalents	<b>221,939</b>	(44,208)
Cash and cash equivalents at the beginning of the year	<b>128,178</b>	172,386
Effects of exchange rate changes on cash and cash equivalents	<b>(2,554)</b>	–
Cash and cash equivalents at the end of the year	<b>347,563</b>	128,178

### Cash and cash equivalents

For the year ended December 31, 2023, our net cash generated from operating activities was RMB106.6 million, which was primarily attributable to our loss before income tax of RMB314.0 million, as adjusted by (i) positive movement of operating cash flow before movements in working capital, which primarily comprised depreciation of property and equipment of RMB144.8 million, share-based compensation expenses of RMB84.0 million and depreciation of right-of-use assets of RMB94.5 million, (ii) changes in working capital, (iii) interest received, and (iv) income taxes paid.

For the year ended December 31, 2023, our net cash used in investing activities was RMB53.8 million, which was primarily attributable to (i) payments for purchase of property and equipment of RMB49.0 million in relation to the purchase of machines, which mainly comprise pick-and-go cabinets, (ii) payments for purchase of financial assets at fair value through profit or loss of RMB40.0 million in relation to our purchase of wealth management products, and as adjusted by (iii) proceeds from disposal of financial assets at fair value through profit or loss of RMB40.0 million in relation to our disposal of wealth management products.



For the year ended December 31, 2023, our net cash flows generated from financing activities was RMB169.1 million, primarily attributable to (i) the net proceeds from the Global Offering, (ii) principal elements and interest element of lease payments of RMB43.3 million, and (iii) repayments of borrowings of RMB70.0 million, as adjusted by proceeds from borrowings of RMB79.1 million.

As a result of the foregoing, our cash and cash equivalents, which were mainly held in HK dollars as of December 31, 2023, increased by 171.2% from RMB128.2 million as of December 31, 2022 to RMB347.6 million as of December 31, 2023.

Our presentation and functional currency were RMB. During the Reporting Period, we conducted business in mainland China, and most of our transactions were settled in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. The majority of our non-RMB assets are bank deposits denominated in Hong Kong Dollars. We managed our foreign exchange risk by regularly reviewing net foreign exchange exposures, and conducted risk management. During the Reporting Period, the Group had not entered into any derivative instruments to hedge its foreign exchange exposures. The management of the Group continued to pay attention to the market environment and the Group's own foreign exchange risk profile, and considered to taking appropriate hedging measures when necessary.

### **Indebtedness**

As of December 31, 2023, our bank and other borrowings amounted to RMB79.1 million, which were at fixed interest rates. Such bank and other borrowings were all denominated in RMB and bore a weighted average interest rate of 5.8%. As of December 31, 2023, we did not have any unutilized banking facilities. We recognized total lease liabilities of RMB28.5 million as of December 31, 2023.

### **Gearing ratio**

The Group monitored capital on the basis of the gearing ratio. That ratio is calculated using total debt divided by total equity and multiplied by 100%. As of December 31, 2023, the total debt was RMB107.6 million, total equity was RMB971.9 million, the gearing ratio was 11.1%.



## Capital Expenditures

During the Reporting Period, our capital expenditures primarily consisted of payments for purchase of property and equipment, and payments for purchase of intangible assets. The following table sets forth our capital expenditures for the periods indicated:

	For the year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Payments for purchase of property and equipment	49,011	145,749
Payments for purchase of intangible assets	17,285	143
<b>Total</b>	<b>66,296</b>	<b>145,892</b>

## Contingent Liabilities

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

## Significant Investments and Future Plans for Material Investments or Capital Assets

As of December 31, 2023, we did not hold any significant investment. In addition, save for the expansion plans as disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Prospectus, we have no future plans for material investments or capital assets.

## Material Acquisitions and Disposals

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

## Charges on Group Assets

As of December 31, 2023, we did not have any charged assets.

## Final Dividend

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

## Annual General Meeting

The AGM will be held on Tuesday, May 21, 2024. A notice convening the annual general meeting of the Company will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

## **Closure of Register of Members and Entitlement to Attend and Vote at the AGM**

For the purpose of ascertaining the members' eligibility to attend and vote at the AGM, the Company's register of members will be closed from Wednesday, May 1, 2024 to Tuesday, May 21, 2024, both days inclusive, during which period no transfer of share will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, April 30, 2024.

## **Company Information**

The Company was a limited liability company incorporated in the PRC on March 1, 2012 and converted into a joint stock company with limited liability on September 10, 2015, and the Shares were listed on the Main Board of the Stock Exchange on November 3, 2023.

## **Employees and Remuneration Policy**

As at December 31, 2023, the Group had employed a total of 1,012 employees. The Group hires and promotes our staff based on their personal on-the-job performance and development potential. The remuneration of our employees is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of us and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and benefit plans. We also organize various training programs on a regular basis for our employees to enhance their professional knowledge, improve time management skills and communications skills, and strengthen their team spirit.

With a view to incentivizing our management members and core employees to further promote our development and in recognition of their contributions, our Company adopted the 2020 Incentive Scheme in 2020 and Shenzhen Youhui was established as the platform to hold Shares for the option grantees under the 2020 Incentive Scheme. As of December 31, 2023, Shenzhen Youhui held 5,438,106 Shares, representing approximately 0.7% of our total number of issued Shares. For further information about the 2020 Incentive Scheme, see "Statutory and General Information – D. Share Incentive Scheme – 2. 2020 Incentive Scheme" in Appendix IV to the Prospectus.

Further, we adopted the Pre-IPO Incentive Scheme on May 31, 2021 to further refine the incentive system of our Company by linking the personal interests of our officers, directors and employees, and to attract technical and managerial talents in the industry to join our Company. As of December 31, 2023, the Company had granted share options to subscribe for an aggregate of 37,750,000 Unlisted Shares under the Pre-IPO Incentive Scheme, representing approximately 4.8% of our total number of issued Shares. For further information about the Pre-IPO Incentive Scheme, see "Statutory and General Information – D. Share Incentive Scheme – 1. Pre-IPO Incentive Scheme" in Appendix IV to the Prospectus.

## Significant Events After the Reporting Period

There is no material event subsequent to December 31, 2023 which could have a material impact on our operating and financial performance as of the date of this announcement.

## Use of Proceeds from the Global Offering

The Company was listed on the Stock Exchange on November 3, 2023. The net proceeds from the Global Offering amounted to approximately HKD154.9 million. The net proceeds from the Global Offering (adjusted on a pro rata basis based on the actual net proceeds) will be utilized in accordance with the intended use of the proceeds set out in the Prospectus. The following table sets forth the status of the use of net proceeds from the Global Offering<sup>(1)</sup>:

<b>Intended use of proceeds</b>	<b>Percentage of intended use of proceeds</b>	<b>Intended use of proceeds from the initial public offering</b>	<b>Actual usage between the Listing Date and December 31, 2023</b>	<b>Unutilized net proceeds as of December 31, 2023</b>	<b>Timeframe for the unused balance</b>
	<i>(%)</i>	<i>(In HKD millions)</i>	<i>(In HKD millions)</i>	<i>(In HKD millions)</i>	
<b>Implementing our expansion initiatives</b>	80.0	123.9	0	123.9	By December 31, 2025
<b>Further developing our operation network</b>	5.0	7.7	0	7.7	By December 31, 2025
<b>Enhancing our technologies</b>	7.0	10.8	0	10.8	By December 31, 2025
Hardware upgrade	1.5	2.3	0	2.3	By December 31, 2025
Software enhancement	4.0	6.2	0	6.2	By December 31, 2025
Recruiting talents	1.5	2.3	0	2.3	By December 31, 2025
<b>Working capital and other general corporate purposes</b>	8.0	12.4	0	12.4	By December 31, 2025
<b>Total</b>	<b>100.0</b>	<b>154.9</b>	<b>0</b>	<b>154.9</b>	By December 31, 2025

Note:

(1) The figures in the table are approximate figures.

As of the date of this announcement, the Board is aware that there has been a delay in the use of proceeds from the Listing when compared to the implementation plan as disclosed in the Prospectus, which is primarily because of the process of foreign exchange registration and filing, which was completed in January 2024. We currently have no intention to change the use of the unutilized net proceeds and have been actively monitoring the market environment for appropriate timing to implement our plans. It is currently expected that the unutilized net proceeds will be fully utilized by December 31, 2025, subject to changes in market conditions and policies and the timing when appropriate opportunities arise in the industry.

To the extent that the net proceeds from the Global Offering are not immediately applied for the above purposes and to the extent permitted by the relevant law and regulations, we intend to deposit those net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions in Hong Kong and mainland China (as defined under the SFO, the Law of the People's Republic of China on Commercial Banks (中華人民共和國商業銀行法) and other relevant PRC Law). We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

## **BUSINESS OUTLOOK**

As a vending machine operator in mainland China with strong operation and digitalization capabilities and over a decade of experience, we are well positioned to capture the massive market opportunity driven by the fast growth of the under-penetrated unmanned retail market in mainland China. Further, vending machines provide a significant channel for offline FMCG retail, as they can effectively address the pain points of the industry's traditional business model, including high start-up costs and escalating operating costs.

We have endeavoured to cultivate the unmanned retail industry in mainland China and developed digitalization and operation capabilities, covering merchandise procurement, logistics and inventory management. We strive to refine the traditional retail industry with technology and to further digitalize and automate businesses along the retail value chain. To achieve these goals, among others, we will continue to collaborate with internet companies to build a diversified payment infrastructure supporting a wide variety of payment methods including major payment methods such as Alipay and WeChat Pay, advanced technologies such as biometric authentication payment, and customized scenario-specific payment methods such as student card and staff card payment.

Looking forward, leveraging our core capabilities, we will expand our POS network and improve our digitalized operating efficiency to empower and provide services to the participants along the unmanned retail industry value chain. For consumers, we strive to offer convenience, accessibility, excellent multi-scenario user experiences, contactless purchase and a broad selection of trending merchandise. For those who wish to start a vending machine business, we allow them to capitalize on their POS resources and local expertise and tap into our digitalization and operation capabilities by joining us as our POS partners. For those who already operate vending machines, we will continue to welcome them as our merchandise wholesale customers or Non-Ubox POS operators and empower them to improve operational efficiency by providing them with access to our digitalization and operation capabilities. For advertisers, we will continue to provide a vast and inter-connected platform for them to reach consumers.

In addition, we plan to further deepen our market penetration and expand our POS coverage in tier one, new tier one and tier two cities. We also plan to gradually tap into tier three cities and below with higher economic growth rates. Through the expansion of our POS network coverage, we target to enhance our economy of scale and improve our operational efficiency and overall profitability. We believe our industry-leading position and strong ability to digitalize operations will enable us to further increase our market penetration and to expand into new consumption scenarios.

Amid the robust development and prominent real-life applications of the artificial intelligence and big data technologies these days, we plan to focus our research and development on furthering our data analytics capability, optimizing algorithms, and expanding the application of data in our operations. We will endeavor to develop and introduce artificial intelligence recognition technology and back-end algorithms related to unmanned retailing with vending machines to further improve customer experience and fuel our business expansion. On the other hand, we will also continue the research and development of our hardware and further enhance the structural design and features of our vending machines to increase their durability, versatility, usability, energy efficiency and adaptability to a wider range of consumption scenarios.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended December 31,	
		2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	4	<b>2,672,020</b>	2,519,224
Cost of sales	5	<b>(1,583,351)</b>	(1,442,488)
<b>Gross profit</b>		<b>1,088,669</b>	1,076,736
Selling and marketing expenses	5	<b>(1,125,705)</b>	(1,155,720)
General and administrative expenses	5	<b>(213,304)</b>	(127,405)
Research and development expenses	5	<b>(29,017)</b>	(31,556)
Net impairment losses on financial assets		<b>(5,259)</b>	(9,264)
Other income	6	<b>5,398</b>	12,027
Other losses, net	7	<b>(20,239)</b>	(8,488)
<b>Operating loss</b>		<b>(299,457)</b>	(243,670)
Finance costs	8	<b>(8,601)</b>	(13,331)
Share of results of investments accounted for using the equity method		<b>(5,940)</b>	(15,255)
<b>Loss before income tax</b>		<b>(313,998)</b>	(272,256)
Income tax expense	9	<b>(5,475)</b>	(10,813)
<b>Loss for the year</b>		<b>(319,473)</b>	(283,069)
<b>Loss for the year attributable to:</b>			
– Owners of the Company		<b>(327,295)</b>	(284,529)
– Non-controlling interests		<b>7,822</b>	1,460
		<b>(319,473)</b>	(283,069)
<b>Total comprehensive loss for the year</b>		<b>(319,473)</b>	(283,069)
<b>Total comprehensive loss for the year attributable to:</b>			
– Owners of the Company		<b>(327,295)</b>	(284,529)
– Non-controlling interests		<b>7,822</b>	1,460
		<b>(319,473)</b>	(283,069)
<b>Losses per share for loss attributable to owners of the Company (expressed in RMB per share)</b>			
Basic and diluted	10	<b>(0.43)</b>	(0.38)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>As at December 31,</b>	
		<b>2023</b>	<b>2022</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		<b>132,430</b>	296,338
Right-of-use assets		<b>203,626</b>	289,070
Intangible assets		<b>104,809</b>	102,881
Investments accounted for using the equity method		<b>56,762</b>	62,702
Financial assets at fair value through profit or loss		<b>35,300</b>	36,100
Prepayments, deposits and other receivables	<i>13</i>	<b>167,298</b>	177,106
Deferred income tax assets		<b>40,103</b>	36,665
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>740,328</b>	1,000,862
<b>Current assets</b>			
Inventories	<i>12</i>	<b>174,903</b>	143,887
Trade receivables	<i>13</i>	<b>34,927</b>	54,693
Prepayments, deposits and other receivables	<i>13</i>	<b>214,848</b>	188,514
Restricted cash		<b>89</b>	2,735
Cash and cash equivalents		<b>347,563</b>	128,178
		<hr/>	<hr/>
<b>Total current assets</b>		<b>772,330</b>	518,007
		<hr/>	<hr/>
<b>Total assets</b>		<b>1,512,658</b>	1,518,869
<b>EQUITY</b>			
Share capital	<i>14</i>	<b>779,835</b>	757,259
Reserves		<b>2,038,365</b>	1,765,917
Accumulated losses		<b>(1,869,988)</b>	(1,542,693)
		<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>		<b>948,212</b>	980,483
Non-controlling interests		<b>23,723</b>	21,453
		<hr/>	<hr/>
<b>Total equity</b>		<b>971,935</b>	1,001,936
		<hr/>	<hr/>

		<b>As at December 31,</b>	
	<i>Note</i>	<b>2023</b>	2022
		<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>11,193</b>	21,287
Deferred income tax liabilities		<b>2,450</b>	2,050
<b>Total non-current liabilities</b>		<b>13,643</b>	23,337
<b>Current liabilities</b>			
Lease liabilities		<b>17,340</b>	38,390
Trade payables	<i>15</i>	<b>185,444</b>	214,666
Other payables and accruals	<i>16</i>	<b>199,351</b>	159,475
Contract liabilities	<i>4</i>	<b>41,405</b>	7,496
Current income tax liabilities		<b>4,490</b>	3,569
Borrowings		<b>79,050</b>	70,000
<b>Total current liabilities</b>		<b>527,080</b>	493,596
<b>Total liabilities</b>		<b>540,723</b>	516,933
<b>Total equity and liabilities</b>		<b>1,512,658</b>	1,518,869



## NOTES

### 1 GENERAL INFORMATION

Beijing UBOX Online Technology Corp. (北京友寶在線科技股份有限公司) (the “**Company**”), formerly known as Beijing UBOX Technology & Trade Company Limited (北京友博科斯科貿有限公司), was incorporated in the People’s Republic of China (the “**PRC**”) as a wholly foreign-owned limited liability company on March 1, 2012 and converted into a joint stock company with limited liability on September 10, 2015. The address of the Company’s registered office is Room 128, Yunkai Real Estate Office Building, No. 8 Kangbao Road, Economic Development Zone, Miyun District, Beijing, the PRC. The Company’s shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Listing**”) on November 3, 2023 (the “**Listing Date**”).

The Company and its subsidiaries (collectively the “**Group**”) are primarily engaged in the unmanned retail business, advertising and system support services, merchandise wholesale, vending machine sales and leases and others.

The financial statements for the year ended December 31, 2023 are presented in Renminbi (“**RMB**”), unless otherwise stated, and have been approved for issue by the Board of Directors on March 26, 2024.

### 2 BASIS OF PREPARATION

#### 2.1 Compliance with HKFRS and the disclosure requirements of HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

#### 2.2 Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

#### 2.3 New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing January 1, 2023:

- HKFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to HKAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to HKAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to HKAS 12
- Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

## 2.4 New and amended standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretation have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 3 SEGMENT INFORMATION

### (a) Description of segments and principal activities

The Group's chief operating decision-maker ("CODM") has been identified as executive directors of the Company. The executive directors review the Group's internal report which is prepared based on a number of factors, including but not limited to customer base, homogeneity of products and technology, in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group has identified the following operating segments:

- Unmanned retail business consists of sales of FMCG such as food and beverage to end customers through a network of vending machines located at the POSs developed by the Group or POS partners.
- Advertising and system support services consist of provision of (i) display screen advertising services, (ii) after-payment advertising services, (iii) merchandise display advertising services, (iv) machine body advertising services to customers, and (v) revenue derived from fees charged to the Group's Non-Ubox POSs operators for using its operation system.
- Merchandise wholesale consist of merchandise wholesale to the customers.
- Vending machine sales and leases consist of vending machine sales and leases and provision of hardware support services.
- Others consist of provision of (i) mobile device distribution services, (ii) karaoke booth services, (iii) karaoke booth sales and leases, and (iv) karaoke booth operation system support.

The CODM assesses the performance of the operating segments based on the revenue and gross profit of each segment. The selling and marketing expenses, general and administrative expenses, research and development expenses and net impairment losses on financial assets are not included in the measure of the segments' performance which is used by the steering committee as the basis for the purpose of resource allocation and assessment of segment performance. Other income, other gains/(losses), net, finance costs and share of results of investments accounted for using the equity method and income tax expense are also not allocated to individual operating segment. There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

Substantially all of the businesses of the Group are carried out in the PRC. Accordingly, no geographic information is presented.

**(b) Segment information**

There were no material inter-segment sales during the years ended December 31, 2023 and 2022. The revenue for external customers reports to the CODM are measured in a manner consistent with that applied in the consolidated income statements.

The segment information for the years ended December 31, 2023 and 2022 are as follows:

	Unmanned retail business <i>RMB'000</i>	Advertising and system support services <i>RMB'000</i>	Merchandise wholesale <i>RMB'000</i>	Vending machine sales and leases <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customer	2,034,322	115,556	287,214	27,502	207,426	2,672,020
Cost of sales	<u>(1,102,761)</u>	<u>(2,165)</u>	<u>(276,165)</u>	<u>(20,819)</u>	<u>(181,441)</u>	<u>(1,583,351)</u>
<b>Gross profit</b>	<b><u>931,561</u></b>	<b><u>113,391</u></b>	<b><u>11,049</u></b>	<b><u>6,683</u></b>	<b><u>25,985</u></b>	<b><u>1,088,669</u></b>
	Unmanned retail business <i>RMB'000</i>	Advertising and system support services <i>RMB'000</i>	Merchandise wholesale <i>RMB'000</i>	Vending machine sales and leases <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customer	1,974,657	194,271	131,795	33,840	184,661	2,519,224
Cost of sales	<u>(1,083,259)</u>	<u>(34,046)</u>	<u>(126,570)</u>	<u>(23,048)</u>	<u>(175,565)</u>	<u>(1,442,488)</u>
<b>Gross profit</b>	<b><u>891,398</u></b>	<b><u>160,225</u></b>	<b><u>5,225</u></b>	<b><u>10,792</u></b>	<b><u>9,096</u></b>	<b><u>1,076,736</u></b>

#### 4 REVENUE

The Group's revenue includes revenue from unmanned retail business, advertising and system support services, merchandise wholesale, vending machine sales and leases and others. Revenue is stated net of value-added tax ("VAT") in the PRC and comprises the following:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue from contracts with customers</b>		
Revenue from unmanned retail business	<b>2,034,322</b>	1,974,657
– Direct operation model (a)	<b>204,866</b>	362,309
– Partner model (b)	<b>1,829,456</b>	1,612,348
Revenue from advertising and system support services	<b>115,556</b>	194,271
Revenue from merchandise wholesale	<b>287,214</b>	131,795
Revenue from vending machine sales and leases	<b>27,502</b>	33,840
Revenue from others	<b>207,426</b>	184,661
	<b>2,672,020</b>	2,519,224
	<b>2,672,020</b>	2,519,224
	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Timing of revenue recognition</b>		
At a point in time		
– Unmanned retail business	<b>2,034,322</b>	1,974,657
– Advertising and system support services	<b>22,022</b>	86,444
– Merchandise wholesale	<b>287,214</b>	131,795
– Vending machine sales	<b>16,855</b>	18,141
– Others	<b>187,365</b>	165,031
Over time		
– Advertising and system support services	<b>93,534</b>	107,827
– Others	<b>19,652</b>	19,524
Lease income from vending machine leases	<b>10,647</b>	15,699
Lease income from others	<b>409</b>	106
	<b>2,672,020</b>	2,519,224
	<b>2,672,020</b>	2,519,224

- (a) Revenue from direct operation model represents the revenue generated from the selling of FMCG on the vending machines which are located at the POSs sourced and developed by the Group.
- (b) Revenue from partner model represents the revenue generated from the selling of FMCG on the vending machines which are located at the POSs sourced and developed by the network partners which are entitled to a share of the income generated from the vending machines that is accounted for as POSs operation and development expenses.
- (c) There were no individual customer contributing over 10% of the total revenue for the years ended December 31, 2023 and 2022.
- (d) Performance obligations for contracts with customers

Revenue is recognized when the Group satisfy a performance obligation by transferring a promised goods or service to a customer. Control of the goods or service refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods or services.

- (e) Liabilities related to contracts with customers

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

	<b>As at December 31,</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Contract liabilities	<b>41,405</b>	7,496

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services or goods are yet to be provided or delivered.

- (f) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue is recognized during the years ended December 31, 2023 and 2022 relates to carried-forward contract liabilities.

	<b>Year ended December 31,</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year	<b>5,854</b>	5,411

All contracts are for periods of one year or less or are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## 5 EXPENSES BY NATURE

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Cost of inventories sold	1,555,461	1,368,474
POSs operation and development expenses (a)	571,565	587,354
Logistics and transportation expenses	178,850	156,786
Employee benefit expenses excluding share-based compensation	169,331	235,505
Share-based compensation expenses	84,026	–
Depreciation of property and equipment	144,786	144,070
Depreciation of right-of-use assets	94,491	97,960
Amortization of intangible assets	15,357	15,842
Short-term and low-value leases expenses	23,607	20,884
Bank and payment charges	14,797	13,340
Office expenses	12,762	16,743
Taxes and surcharges	8,670	6,984
Traveling and entertainment expenses	6,649	7,382
Consultation expenses	2,908	5,064
Subcontractor cost of the advertising resources	1,790	33,507
Auditor's remuneration		
– Audit services	3,500	200
Listing expenses	32,253	22,077
Others	30,574	24,997
	<u>2,951,377</u>	<u>2,757,169</u>
<b>Total cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses</b>		

- (a) POSs operation and development expenses mainly represented fixed or variable expenses paid or payables to POS providers and POS partners for maintaining and exploring the Group's POSs network. Variable POSs operation and development expenses were determined based on certain percentage of the income generated by the corresponding vending machines as agreed between the Group and individual POSs providers and POS partners.
- (b) During the years ended December 31, 2023 and 2022, the Group incurred expenses for the purpose of research and development of approximately RMB29,017,000 and RMB31,556,000 respectively, which included employee benefit expenses of RMB18,588,000 and RMB23,057,000 respectively. During the year ended December 31, 2023, no research and development expenses had been capitalized as intangible assets.

## 6 OTHER INCOME

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Government grants (a)	1,515	5,117
Interest income arising from other receivables, trade receivables and bank deposits	2,974	1,854
Interest income from wealth management products	152	173
Additional deduction of input value-added tax	669	4,795
Others	88	88
	<u>5,398</u>	<u>12,027</u>

- (a) During the years ended December 31, 2023 and 2022, the government grants mainly consist of value-added tax levied immediately returned and subsidies received from the local government due to industry support policies.

## 7 OTHER LOSSES, NET

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Fair value change on financial assets at fair value through profit or loss	(800)	3,300
Net losses on disposal of subsidiaries	(4,874)	(199)
Net losses on disposal of property and equipment	(13,385)	(5,408)
Net foreign exchange losses	(2,336)	–
Others	1,156	(6,181)
	<u>(20,239)</u>	<u>(8,488)</u>

## 8 FINANCE COSTS

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Interest expenses on lease liabilities	3,143	7,085
Interest expenses on borrowings	5,458	6,246
	<u>8,601</u>	<u>13,331</u>

## 9 INCOME TAX EXPENSE

	Year ended December 31,	
	2023	2022
	RMB'000	RMB'000
Current income tax	8,513	5,592
Deferred income tax	(3,038)	5,221
<b>Income tax expense</b>	<b>5,475</b>	<b>10,813</b>

### (a) PRC corporate income tax (“CIT”)

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

The Company had applied to the relevant tax bureau and was granted the qualification as “High and New Technology Enterprise” (“HNTTE”) in December 2017, and the Company has renewed the qualification as HNTTE in December 2020. As a result, it is subject to a preferential CIT rate of 15% for the years ended December 31, 2023 and 2022.

Shenzhen Youbaokesi Technology Co., Ltd. had applied to the relevant tax bureau and were granted the HNTTE in December 2016, and has renewed the qualification as HNTTE in December 2019 and December 2022. As a result, it is subject to a preferential CIT rate of 15% for the year ended December 31, 2023 and 2022.

Beijing Youbao Anglai Technology Co., Ltd. (“Youbao Anglai”) had also applied to the relevant tax bureau and were granted the HNTTE in December 2016, and has renewed the qualification as HNTTE in December 2019. Youbao Anglai has not continued to apply for the qualification as HNTTE, and it is subject to CIT rate of 25% for the years ended December 31, 2023 and 2022.

Save as aforesaid, the Company and other major subsidiaries were subject to CIT at a rate of 25%.

### (b) Research and development super deduction

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that was effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses from incurred October 1, 2022 to December 31, 2023 as tax deductible expenses.



## 10 LOSSES PER SHARE

### (a) Basic losses per share

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

	Year ended December 31,	
	2023	2022
Loss attributable to owners of the Company ( <i>RMB'000</i> )	(327,295)	(284,529)
Weighted average number of ordinary shares outstanding ( <i>thousand</i> )	<u>760,908</u>	<u>757,259</u>
Basic losses per share ( <i>RMB</i> )	<u>(0.43)</u>	<u>(0.38)</u>

### (b) Diluted losses per share

Diluted losses per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended December 31, 2023, the Company granted shares options and are not included in the calculation of diluted earnings per share because they are antidilutive.

For the year ended December 31, 2022, the Company had no dilutive potential shares in issue, thus the diluted losses per share was the same as the basic losses per share.

## 11 DIVIDENDS

No dividends have been paid or declared to the shareholders of the Company for the years ended December 31, 2023 and 2022 respectively.

## 12 INVENTORIES

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	55,081	52,753
Merchandise	91,942	92,366
Machines held for sale	34,608	43,253
Less: provision for impairment on raw materials	(429)	(8,214)
provision for impairment on machines held for sale	<u>(6,299)</u>	<u>(36,271)</u>
	<u>174,903</u>	<u>143,887</u>

### 13 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	42,301	77,443
Less: Allowance for impairment	(7,374)	(22,750)
	<u>34,927</u>	<u>54,693</u>
Trade receivables – net (a)		
Prepayments for purchase of machines	167,298	167,106
Prepayments for POSs expenses	22,290	26,242
Prepayments for purchase of inventories	52,508	38,802
Prepayments for listing expenses	–	2,497
Others	8,955	15,293
	<u>251,051</u>	<u>249,940</u>
Prepayments		
Advances to and receivables from business partners (i)	83,042	59,268
Deposits (ii)	39,339	49,934
Advances to staffs	11,876	5,404
Deductible input value-added tax	18,443	26,453
Amount due from POS partners (iii)	21,548	36,135
Others	19,397	10,461
Less: Allowance for impairment of deposits and other receivables	(62,550)	(71,975)
	<u>131,095</u>	<u>115,680</u>
Deposits and other receivables – net		
Trade receivables, prepayments, deposits and other receivables	417,073	420,313
Less: Non-current portion		
– Prepayment and other receivables	(167,298)	(177,106)
	<u>249,775</u>	<u>243,207</u>
Current portion		

- (i) As at December 31, 2023, except for an advance to an associate amounting to RMB8,000,000 was interest-bearing at interest rate of 2.25% and due within one year, other advances to and receivables from business partners were interest-free, unsecured and repayable on demand. As at December 31, 2022, advances to and receivables from business partners were interest-free, unsecured and repayable on demand.
- (ii) Deposits mainly include the deposits paid to the POSs providers for the vending machines according to the relevant contracts, and the rental deposits for the rental of machines and other assets, which will be refunded to the Group upon the completion of the relevant contracts.
- (iii) Amount due from POS partners represent advanced costs for developing POSs paid by the Group, which would be deducted from their share of income and typically to be settled on a monthly basis.

(a) **Trade receivables**

Trade receivables mainly arise from wholesales, sales of vending machines and advertising and system support services and others. Customers are generally granted credit terms of 30 to 180 days. The aging analysis of trade receivables based on merchandise and services delivery date or invoice date is as follows:

	As at December 31,	
	2023 RMB'000	2022 RMB'000
0 to 3 months	25,960	31,530
3 to 6 months	5,289	9,377
6 to 12 months	1,280	10,721
1 to 2 years	3,992	7,059
2 to 3 years	1,844	9,645
3 to 4 years	1,524	5,890
Over 4 years	2,412	3,221
	<u>42,301</u>	<u>77,443</u>

14 **SHARE CAPITAL**

	Number of ordinary shares	Share capital RMB'000
<b>Issued and fully paid</b>		
<b>As at January 1, 2022 and December 31, 2022</b>	<u>757,258,933</u>	<u>757,259</u>
<b>As at January 1, 2023</b>	757,258,933	757,259
Issuance of ordinary shares	<u>22,576,500</u>	<u>22,576</u>
<b>As at December 31, 2023</b>	<u>779,835,433</u>	<u>779,835</u>

Upon completion of the Listing on November 3, 2023, the Company issued 22,576,500 new ordinary shares at par value of RMB1 per share for cash consideration of HKD10.35 each, and raised gross proceeds of approximately HKD233,667,000 (equivalent to approximately RMB214,389,000). The respective share capital amount was approximately RMB22,576,000 and share premium arising from the issuance was approximately RMB188,422,000 after deducted the share issuance costs.

Share issuance costs mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs associated with the listing and vendor placing. Incremental costs that are directly attributable to the issue of the new shares to approximately RMB3,391,000 which were accounted for a deduction against the share premium arising from the issuance.

## 15 TRADE PAYABLES

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
Trade payables	<u>185,444</u>	<u>214,666</u>

Trade payables are unsecured and are usually paid within 90 days of recognition. Where trade payables are settled via electronic cash transfer, they are derecognized when the Group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant.

The carrying amounts of trade payables are considered to be the same as their fair values, due to their short-term nature.

As at December 31, 2023 and 2022, the aging analysis of the trade payables based on invoice date were as follows:

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
0 to 3 months	179,219	196,264
3 to 6 months	141	10,938
6 to 12 months	1,885	1,494
1 to 2 years	2,547	4,543
2 to 3 years	912	623
Over 3 years	740	804
	<u>185,444</u>	<u>214,666</u>

## 16 OTHER PAYABLES AND ACCRUALS

	As at December 31,	
	2023	2022
	RMB'000	RMB'000
Accrued and payments of POSs operation expenses	78,273	55,932
Deposits (a)	44,302	31,007
Other taxes payables	8,206	9,683
Salaries, wages, and bonuses payables	30,669	33,956
Listing expenses payables	18,755	11,811
Others	19,146	17,086
	<u>199,351</u>	<u>159,475</u>
Less: Non-current portion		
– Others	<u>–</u>	<u>–</u>
	<u>199,351</u>	<u>159,475</u>

(a) The amounts of deposits mainly represent various deposits received from POS partners in relation to vending machine business cooperation.

## 17 SUBSEQUENT EVENTS

There is no material subsequent event happened after December 31, 2023.

## **OTHER INFORMATION**

### **Purchase, Sale or Redemption of the Securities of the Company**

From the Listing Date up to December 31, 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### **Compliance with the Corporate Governance Code**

The Company is committed to maintaining sound corporate governance to guarantee the interests of its Shareholders and enhance the corporate value and accountability. The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the corporate governance practice of the Company. The Company has complied with the code provisions of the Corporate Governance Code from the Listing Date to December 31, 2023, except for the deviation as explained below.

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and chief executive officer of the Company are held by Mr. Wang Bin. In view of Mr. Wang Bin's experience, personal profile and his roles in the Group, and the fact that Mr. Wang Bin has been the principal founder of the Company, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Mr. Wang Bin acts as the chairman of the Board and continues to act as the chief executive officer of the Company.

While this will constitute a deviation from the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors; (ii) Mr. Wang Bin and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

### **Compliance with the Model Code**

The Company adopts the Model Code as its code of conduct for securities transactions by the Directors and Supervisors. After making the specific enquiries to all the Directors and Supervisors, each of the Directors and Supervisors has confirmed that they have complied with the standards set out in the Model Code throughout the period from the Listing Date to December 31, 2023.

## **Audit Committee and Review of Financial Information**

The Audit Committee comprises Ms. Guo Wei, Mr. Wang Xiaochuan and Mr. Zhang Chen, our independent non-executive Directors. The Company's audited annual results for the year ended December 31, 2023 have been reviewed by the Audit Committee. The Audit Committee considered that the preparation of the relevant financial statements has complied with the accounting standards and requirements used and that adequate disclosure has been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group, and the selection and appointment of external accountants.

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. As of the date of this announcement, the Audit Committee consists of three members, namely Ms. Guo Wei, Mr. Wang Xiaochuan and Mr. Zhang Chen. Ms. Guo Wei, being the chairman of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, oversee the audit process, review and oversee the existing and potential risks of our Group and perform other duties and responsibilities as assigned by our Board.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended December 31, 2023. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company with senior management members and the Company's auditor, PricewaterhouseCoopers, Certified Public Accountants, and discussed matters with respect to internal controls with senior management members. Based on this review and discussions with the management and PricewaterhouseCoopers, the Audit Committee was satisfied that the Group's consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended December 31, 2023.

### **Scope of work of PricewaterhouseCoopers**

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

### **Publication of the Annual Results and Annual Report**

This annual results announcement will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.uboxol.com](http://www.uboxol.com)). The annual report for the Company for the year ended December 31, 2023 containing all information required by the Listing Rules will also be despatched to the Shareholders in due course and will be published on the above websites.

## DEFINITIONS

In this announcement, the following terms shall have the following meanings, except otherwise stated:

“2020 Incentive Scheme”	our share incentive scheme adopted in 2020, the details of which are set out in “History and Development – 2020 Incentive Scheme and Pre-IPO Incentive Scheme” in the Prospectus
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China
“Company,” “our Company” or “the Company”	Beijing UBOX Online Technology Corp. 北京友寶在線科技股份有限公司, a limited liability company incorporated in the PRC on March 1, 2012 and converted into a joint stock company with limited liability on September 10, 2015
“Corporate Governance Code”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“FMCG”	fast-moving consumer goods
“GMV”	gross merchandise value, the total value (inclusive of value-added tax) of all merchandise sold at Ubox POSs under our unmanned retail business
“Global Offering”	the global offering of the Shares in connection with the Listing
“Group”, “our Group”, “we”, “our” or “us”	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“HK\$” “Hong Kong dollars”, “HK dollars” or “cents”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

“H Share(s)”	overseas listed foreign Shares in the share capital of our Company with a nominal value of RMB1.0 each, which are traded in HK dollars and are listed on the Stock Exchange
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	November 3, 2023, on which the H Shares were listed on the Stock Exchange and from which dealings in the H Shares were permitted to commence on the Stock Exchange
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“mainland China”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“merchandise wholesale customer(s)”	primarily being vending machine operator(s) that purchase(s) merchandise from us on a wholesale basis
“Non-Ubox POS(s)”	POS(s) that are connected to our operation system and are operated by Non-Ubox POS operators
“Non-Ubox POS operator(s)”	third-party operators who operate Non-Ubox POSs
“Pre-IPO Incentive Scheme”	our share incentive scheme adopted on May 31, 2021, the details of which are set out in “Statutory and General Information – D. Share Incentive Scheme – 1. Pre-IPO Incentive Scheme” in Appendix IV to the Prospectus
“Prospectus”	the prospectus of the Company dated October 24, 2023
“POS(s)”	point(s) of sale for vending machine(s)
“POS network”	comprising Ubox POSs and Non-Ubox POSs
“POS partner(s)”	individual(s) and entity(ies) who assist(s) with sourcing and establishing POSs



“PRC Law”	the laws and regulations of the PRC, without reference to the laws and regulations of Hong Kong and Macao Special Administrative Region and the relevant regulations of Taiwan region
“restaurant model partner(s)”	POS partner(s) who assist(s) with the operation of POSs at restaurants and, to a lesser extent and on a case-by-case basis, certain other types of locations such as gyms and cinemas, and is/are entitled to keep the difference between the transaction GMV and a predetermined merchandise price agreed with us, which is different from our profit sharing and fees arrangement with other POS partners
“Reporting Period”	the year ended December 31, 2023
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO” or “Securities and Future Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) in the capital of our Company with nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Ubox POS(s)”	POS(s) operated by us under our direct operation model and partner model
“Unlisted Shares”	ordinary Shares in the share capital of our Company with a nominal value of RMB1.0 each, which are not listed in any stock exchange
“%”	per cent

By order of the Board  
**Beijing UBOX Online Technology Corp.**  
**Wang Bin**  
*Chairman & Executive Director*

Hong Kong, March 26, 2024

*As at the date of this announcement, the Company’s executive Directors are Mr. Wang Bin, Mr. Yu Lizhi and Ms. Cui Yan, non-executive Directors are Mr. Zhu Chao and Ms. An Yufang, and independent non-executive Directors are Mr. Wang Xiaochuan, Ms. Guo Wei and Mr. Zhang Chen.*