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UBTECH ROBOTICS CORP LTD

深圳市優必選科技股份有限公司

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

(Stock Code: 9880)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of UBTECH ROBOTICS CORP LTD (the “**Company**”) announces the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**”, “**us**” or “**UBTECH**”) for the year ended December 31, 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended December 31, 2023.

FINANCIAL HIGHLIGHTS

Our revenue increased from RMB1,055.7 million for the year ended December 31, 2023 to RMB1,305.4 million for the year ended December 31, 2024. Our gross profit increased from RMB332.8 million for the year ended December 31, 2023 to RMB374.0 million for the year ended December 31, 2024. Our loss for the year ended December 31, 2024 was RMB1,159.9 million whereas our loss for the year ended December 31, 2023 was RMB1,264.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, amid the global surge in artificial intelligence and humanoid robotics, humanoid robots represent the optimal carrier of artificial intelligence and the ultimate embodiment of embodied intelligence. They are a pioneering domain in advancing new productive forces. UBTECH continues to ramp up our investment in humanoid robot R&D, with a steadfast focus on industrial applications. We have successively launched the industrial versions of humanoid robots, WalkerS and WalkerS1 (As an embodied intelligence carrier, the Walker series is designed to address real-world industrial application needs.). UBTECH remains committed to advancing key technologies, including the “humanoid brain,” “humanoid cerebellum,” and “high-performance limbs.” These technologies encompass core artificial intelligence technologies such as high-performance servo drive technology, large model technology, semantic Vslam technology, learning-based motion control technology, visual perception technology, and multimodal interaction technology. Our full-stack technological advancements have enabled humanoid robots to achieve superior task planning, dexterous manipulation, navigation and mobility, and human-computer interaction capabilities. Additionally, UBTECH has pioneered a humanoid robot application paradigm for multi-tasking environments, marking the world’s first industrial application solution enabling collaboration between humanoid robots and automated logistics vehicles. At the same time, UBTECH has spearheaded the development and establishment of multiple national standards in the field of humanoid robots and embodied intelligence, serving as the deputy head of the “National Humanoid Robot Standards Working Group.”

In 2024, UBTECH focused on industrial applications, and the WalkerS series was among the first to be introduced in leading automotive factories for humanoid robot training and deployment. It successfully executed highly repetitive tasks, including autonomous cargo transport, quality inspection, process material handling, parts assembly, and SPS sorting. Together, they established a humanoid robot demonstration factory, enabling deep integration into typical industrial workflows. We also collaborated with 3C enterprises to develop a humanoid robot application ecosystem and debuted the “Humanoid Robot Industrial Application Solution” at the 2024 World Robot Conference.

In 2024, UBTECH achieved breakthroughs in key technologies related to humanoid robots, laying a solid technological foundation for humanoid robot commercialization. We have made technological advancements in the following areas:

A. Robotic technologies

At the complete robot level, we released the second-generation industrial humanoid robot Walker S1, successfully validated the linear joint technology, and introduced the third-generation dexterous hand with integrated pressure sensing. Meanwhile, we are continuously iterating on the design of next-generation humanoid robots and

dexterous hands. We also released ROSA v2, which enables fundamental communication capabilities for the algorithm module within the ROS middleware, ensuring the autonomy, control, and security of the underlying algorithms. It has been successfully integrated into the industrial humanoid robot Walker S1. In the field of motion control, we have enhanced our full-stack motion control capabilities, including position control, whole-body force control, and reinforcement learning. Additionally, we have developed a highly modular and general-purpose software framework for dexterous manipulation. Currently, in industrial applications, our humanoid robots can autonomously perform highly repetitive tasks, including cargo transport, quality inspection, process material handling, parts assembly, and SPS sorting.

B. AI technologies

For humanoid robot group collaboration scenarios, we have pioneered the BrainNet architecture, which integrates reasoning nodes and skill nodes, flexibly connected via edge-cloud collaboration. This architecture establishes a super brain and an intelligent cerebellum at the group level, redefining the cognitive and motor functions of humanoid robots. The super brain, powered by a multimodal large model, is responsible for semantic understanding, reasoning, decision-making, and potential anomaly detection. It focuses on advancing intelligent hybrid decision-making technology. The intelligent cerebellum, leveraging the Transformer model, translates large-model instructions into real-time, precise physical execution. The architecture features innovations in cross-domain fusion perception and multi-robot collaborative control, supports parallel distributed learning across multiple robots, and accelerates skill generation and transfer. These breakthroughs extend humanoid robots' capabilities from single-unit task execution to flexible, production line-level collaboration among multiple robots. This not only advances multi-dimensional, multi-scenario group intelligence but also lays a solid foundation for efficient humanoid robot collaboration in complex industrial environments, paving the way for the next stage of intelligent manufacturing evolution.

C. Integrated robotic and AI technologies

1. Integration of positioning, navigation, and AI

We employ unsupervised deep learning techniques to enhance the extraction of image features and descriptors significantly. Additionally, we integrate a graph neural network-based matching algorithm to further improve the stability of the Vslam algorithm. This advancement in Vslam technology enables the Walker S1 to achieve consistently stable positioning and navigation in complex workshop environments.

Notably, the L4 autonomous logistics vehicle successfully completed delivery and acceptance at the customer site. We implemented a point cloud-based feature extraction scheme to generate a feature map, which, combined with visual target segmentation results, enabled the construction of a lane vector map and an RTK-free positioning system for campus environments. Meanwhile, the decision-making and control framework leveraging BEV surround-view perception enhances safety, stability, and efficiency, enabling L4 autonomous driving in highly dynamic campus scenarios, with an overall takeover rate as low as once per 100 kilometers. Furthermore, we are actively researching and developing end-to-end models to advance their practical deployment in autonomous logistics vehicles.

2. *Integration of machine vision and AI technologies*

We incorporate unsupervised pre-training to enhance the feature extraction capabilities of visual feature extractors. Additionally, we employ 3D reconstruction technology to recreate objects and input them into simulation tools, generating a large volume of labeled simulation data that closely mirrors real camera imaging styles. This approach significantly improves the generalization capability of segmentation models. Furthermore, by leveraging an object's 3D model, we utilize rendering and feature-matching techniques to estimate the pose of any known 3D object, enabling object-level intelligent navigation and high-precision dexterous grasping operations.

3. *integration of motion control and AI technologies*

To address the demands of dual-arm dexterous manipulation and high-performance bipedal locomotion, we have developed learning-based motion control technologies utilizing imitation learning, reinforcement learning, and generative models. Reinforcement learning enables anthropomorphic walking with straight knees, trotting, and stable locomotion under load on uneven surfaces, slopes, and stairs. We apply a CVAE-based generative model to dynamically generate dexterous hand gestures, ensuring stable and generalized grasping of various objects regardless of their orientation. For high-load handling tasks, we have implemented an adaptive learning control algorithm to develop a series of key technologies, including load identification, whole-body coordination, compliant control, and precise alignment. We have continued to strengthen the patent moat in humanoid robotics, and our investment in R&D has yielded significant results.

As of 31 December 2024, the number of patents granted to us reached 2,680, reflecting a year-on-year increase of 23.39% compared to the end of 2023.

In 2024, UBTECH received numerous prestigious awards. UBTECH was the only humanoid robotics company to be listed in the inaugural Fortune China Tech 50 list. UBTECH was also recognized in the 18th China Brand Festival’s “Top 500 Chinese Brands”. The UBTECH Panda Robot YouYou participated in the brand festival and was honored with the “Golden Spectrum Award”.

UBTECH’s industrial humanoid robot products and applications have been widely recognized in the industry. UBTECH was named “AI Partner • 2024 AI Application Benchmark Case” by 36Kr. We also won the 10th J.A.P.P.E.X. Annual Exemplary Application Scenario Award, the Leaderobot 2024 Humanoid Robot Application Benchmarking Award, and was recognized as the “2024 China Humanoid Robot Innovation Pioneer” by GGII. In terms of design, UBTECH products have received multiple international design awards. The UGOT robot, a multi-modal AI educational robot, won both the iF Design Gold Award and the Red Dot: Best of the Best Award. The Intelligent Rehabilitation Solution won the iF Design Award in the Service Design category, while the Cadebot Smart Delivery Robot was awarded the iF Design Award in the Product Design category. The UBTECH industrial humanoid robot Walker S Lite successfully demonstrated its application in the automotive manufacturing sector and was selected by the Ministry of Industry and Information Technology as a “Typical Application Case of AI-Enabled New Industrialization.” Additionally, UBTECH was recognized by People’s Daily for its humanoid robot industrial application case and awarded “New Productive Forces Empowering High-Quality Development Case”. Furthermore, UBTECH was honored with the 2024 World Internet Conference Leading Technology Award for its breakthrough in “Key Technologies for Humanoid Robot Embodied Intelligence,” being the first-ever humanoid robotics technology receiving this accolade in the history of the World Internet Conference. UBTECH’s industrial humanoid robot Walker S was included in the 2024 Fortune China Best Design List, being the only humanoid robot selected.

BUSINESS REVIEW OF 2024

I. Education smart robotic products and services

In 2024, as the AI education strategy continues to deepen, we have built an industry-leading technological framework and product ecosystem through a development path of “dual-engine drive and full-scenario breakthrough,” achieving significant advancements in R&D innovation, product iteration, and market expansion. We have successfully developed a dual-engine technical architecture consisting of the “Xingzhi PaaS platform + intelligent hardware platform,” making breakthroughs in three core technologies, including multi-modal navigation, intelligent control, and modular design. By deeply integrating the embodied intelligence closed-loop system with large models tailored for educational scenarios, we have established a new paradigm of intelligent education.

In the K12 education sector, we have established an open and innovative product ecosystem. The UDECA open-source software and hardware product library offers unlimited expandability, while the Xingzhi Yuanxiang (行知元項) platform harnesses AIGC technology to enhance project-based learning (PBL), introducing specialized solutions such as the embodied intelligence laboratory, low-altitude flight laboratory, digital manufacturing laboratory, and virtual simulation laboratory. In the industry-education integration domain, we have launched the CreaBot multi-scenario service robot, featuring seven key functional components such as universal chassis, interaction module and robotic arm. We have also unveiled the AperBot M1 wheeled educational robot, alongside five software and hardware training platforms and the development of ten industrial technology courses. These initiatives collectively establish a comprehensive talent development ecosystem, encompassing the Intelligent Robotics Industry Academy and the STEM Educator Training System.

In 2024, we demonstrated a coordinated development strategy for domestic and international market expansion. In the basic education sector, our AI online education platform has been incorporated into the AI education learning resources for primary and secondary schools in Shenzhen, reaching nearly 900 schools in Shenzhen, of which more than 230 have incorporated it into regular teaching applications, and a total of more than 3,800 courses have been completed; the company and its partners have hosted and co-hosted more than 60 events in 25 provinces in China, benefiting more than 10,000 teachers and students. Internationally, our business presence spans 20+ countries, generating over 700 business opportunities through digital marketing, while the number of registered users on our official website has surpassed 80,000. In the vocational education sector, we have built an integrated “industry-school-research-competition-certification” ecosystem. We pioneered the national-level vocational certification training for service robots, hosted the Ministry of Education’s undergraduate robotics competition and the BRICS international competition, and actively contributed to the development of talent evaluation standards in Guangdong Province. Furthermore, our technological expertise and solutions will be extended to Belt and Road Initiative countries.

Powered by technological innovation and business model optimization, we have established a professional referee pool of 500 experts and more than 10 regional competition centers, further enhancing our brand influence. From intelligent hardware R&D to education standard-setting, from classroom teaching to international competition operations, we continue to lead the AI education sector with full-stack solutions, injecting new momentum into the intelligent transformation of education.

Our revenue attributable to education smart robotic products and services increased by 4.6% from RMB347.3 million in 2023 to RMB363.4 million in 2024.

II. Logistics smart robotic products and services

In 2024, our logistics smart robotic products and services continued to deepen their presence in five core industries: new energy vehicles, tire manufacturing plants, new energy battery production lines, 3C electronics factories, and e-commerce/third-party logistics (3PL). Drawing on our self-developed ACU robot core controller and UPilot robot operating system, we pioneered a dual-engine drive mode integrating “automated vehicles” and “humanoid robots”. We remain committed to building an end-to-end automated logistics system based on these technologies in the foreseeable future. As a result, we have introduced the industry’s first full-stack automated logistics solution. Our core products include the Wali Series F3000, an all-weather, dual-drive heavy-load automated forklift; the Wali Series T8000, an outdoor towing robot; and the Chitu L4-level automated logistics vehicle. Through integrated indoor and outdoor intelligent scheduling and multi-machine collaborative operations, we overcome the “last 10 meters” challenge in intra-facility logistics. This enables customers to build a fully automated logistics ecosystem, covering sorting, transportation, warehousing, and distribution, ultimately achieving a true closed-loop automated logistics system.

In 2024, logistics smart robotic products and services achieved multiple breakthroughs in technology R&D and real-world applications. Leveraging on years of expertise in automated forklifts, we co-edited and officially released the Forklift Mobile Robots (AGVs/AMRs) Industry Development Blue Book, solidifying our influence and standing in the industry. Our latest Wali Series F3000 automated forklift boasts a maximum load capacity of 3.5 tons, pushing the operational limits of heavy-duty forklifts while supporting seamless indoor-outdoor operations. Meanwhile, the Wali Series T8000 traction robot, with its ultra-strong 8,000 kg load capacity, fills a critical gap in ultra-heavy material handling. The Chitu automated logistics vehicle, known for its outstanding performance in leading new energy vehicle factories, has increased warehouse space utilization by 13% and was honored with the “Breakthrough Award for Scenario Applications.” At the strategic level, we have partnered with GSL Logistics to further refine our integrated delivery model, combining hardware, software, services, and operations. Together, we are pioneering full-stack automated logistics applications and setting new industry benchmarks for autonomous logistics solutions. Additionally, in collaboration with strategic partners such as Autolink (車聯天下), we have jointly developed a body-aware intelligent controller, fostering an intelligent, efficient, and collaborative ecosystem that integrates automobiles and humanoid robots.

In 2024, our automated logistics solutions and business operations have expanded across 54 cities and regions in 5 countries worldwide, earning multiple repeat purchases from leading new energy vehicle manufacturers. By continuously setting benchmark cases for automated factories, automated warehouses, and automated delivery solutions, we are driving the intelligent transformation of industrial manufacturing with unwavering determination. Our commitment fuels the new era of automated logistics on a global scale, injecting powerful momentum into the industry's future.

III. Other sector-tailored smart robotic products and services

In 2024, in the field of industry-specific customization, we launched an all-in-one commercial service robot solution designed for diverse business scenarios, including commercial offices, hotels and airports, residential buildings, wellness communities, and smart communities. We have integrated traditional wheeled robots and humanoid robots into a unified solution, enabling multiple robots to work in coordination to provide greater practical value to our customers. We continued to expand our collaboration with a leading global new energy vehicle manufacturer's overseas 4S stores, advancing functional iterations such as large language models. Additionally, we conducted market research in Hong Kong, Taiwan, and the Greater Bay Area, and engaged in an in-depth partnership with a Taiwanese technology company to introduce a localized all-in-one commercial service robot solution.

In 2024, we continued to develop solutions in key areas such as the operation and management, safety assurance, life care, health management, and home medical assistance for wellness institutions. We enhanced our AI and robotics-based solutions and incorporated AI technologies like DeepSeek and the AI Agent architecture across multiple product lines, including wellness service management robots, smart home devices, and information management platforms, achieving new breakthroughs in both technology research and engineering applications. Our integrated solutions have been successfully piloted and applied in a variety of institutional, community, and home service settings. We have established deep collaboration with leading industry clients in China and Japan to co-develop the wellness service robot and the AIS smart care product service platform. By integrating advanced wellness service practices from the industry, we have further leveraged the expertise of professional institutions to deliver services to wellness apartments and homebound elderly populations, with intelligent robots as the primary solution.

Our revenue attributable to other sector-tailored smart robotic products and services increased by 126.1% from RMB62.2 million in 2023 to RMB140.7 million in 2024.

IV. Consumer-level robots and other hardware devices

In 2024, we invested in research and development to launch new products such as the Smart Litter Box C20, the Pet Hair Vacuum Cleaner, the Borderless Smart Lawn Mower M10, the Pool Robot PC10, the Smart Refrigerator Feeder F10, and the Smart High-Suction Sweeper V10. We also continued to expand into domestic and international markets, including the United States, Canada, Europe, Australia, Japan, South Korea, Southeast Asia, and the Middle East. We established a dealer system and channels through overseas e-commerce platforms, laying a solid foundation for the upcoming launch of new products. Thanks to our excellent product innovation, quality assurance, and channel development capabilities, shipments of the Smart Cat Litter Box C10 and C20 series have become industry leaders and cross-border bestsellers. The AiRROBO Smart Cat Litter Box has also become the leader in the industry category on domestic Tmall and JD.com e-commerce platforms. These products won several awards, including the Pet Industry White Paper 2024 Industry Innovation Brand Award, the 2024 Pet Excellence Brand Award from the World Pet Society, the 2024 New Powerful Brand of Pet Products Growth Award from JD.com, and the Pet Award for Annual User-Favorite Brand. The Smart Refrigerator Feeder F10 has also received widespread acclaim. Our first self-developed Pool Robot PC10 has attracted major channel customers, realizing a steady growth in sales.

Our revenue attributable to consumer-level robots and other hardware devices increased by 88.1% from RMB253.6 million in 2023 to RMB477.0 million in 2024.

Employees and remuneration policy

As of December 31, 2024, we had 2,191 full-time employees, 2,189 of which were based in mainland China, primarily at our headquarter in Shenzhen with the rest located in Shanghai, Beijing, Liuzhou and Xiamen, etc. Total compensation costs decreased to RMB940.7 million in 2024, compared to RMB1,006.8 million in 2023, primarily due to a decrease in equity incentive expenses.

We recruit our employees mainly through campus recruitment, internal recruitment, social recruitment, referral by headhunters, internal staff recommendation (also through the open recruitment process). We emphasize that we have always adhered to the principles of equal competition, information disclosure and two-way selection in the open recruitment process. Whether it is in written examination, interview or recruitment conditions, we shall adhere to the principle of equal competition, ensure that recruitment information is disclosed transparently and communicate equally with candidates. We offer competitive remuneration package to our employees, which are generally based on their qualifications, industry experience, position and performance. In order to motivate, retain and reward talents for their contribution to the development of our Group, we have approved and adopted several equity incentive schemes since 2015. For the purpose of, among other things, improving our incentive mechanism and to attract, motivate and retain the Directors, Supervisors, senior management and employees who have made outstanding contributions to our sustainable operation, development and long-term growth, we further adopted the 2024 H Share Incentive Scheme (the “**H Share Incentive Scheme**”) at our 2024 fifth extraordinary general meeting held on September 12, 2024 after obtaining approval from the shareholders of our Company (the “**Shareholders**”). For details, please refer to our announcement dated July 31, 2024 and our circular dated August 28, 2024. We regularly evaluate the performance of our employees and reward the well-performed with bonus and promotion.

We invest in continuing education and training programs, including regular and tailor-made internal and external training, for our employees to improve their professional knowledge, and management skills, upgrade their skill sets and keep abreast of the industry standards in their respective positions. Pre-employment induction training and orientation is provided to all new hiring. We also organize activities to provide our employees with a deeper understanding of our culture.

Capital expenditures

The Group’s capital expenditure of RMB400.4 million in 2024 was mainly related to construction of our headquarters in Shenzhen, representing a decrease of 25.9% compared to RMB540.7 million in 2023.

Right-of-use assets and lease liabilities

The related right-of-use assets and lease liabilities are located in the PRC. As of December 31, 2024, the Group’s right-of-use assets were RMB58.1 million (RMB65.7 million as of December 31, 2023) and lease liabilities were RMB71.9 million (RMB77.0 million as of December 31, 2023). In 2024, depreciation expenses for right-of-use assets amounted to RMB30.8 million and interest expenses on lease liabilities were RMB3.1 million.

Future outlook

In the context of the national commitment to reshaping future productivity, humanoid robots and AI are bound to become the two core driving forces for the transformation of new quality productive forces. The terms “intelligent robot” and “embodied intelligence” have also been included in the Government Work Report for the first time. As a leader in the humanoid robot industry, UBTECH will definitely integrate into the national strategic blueprint deeply as a technology pioneer, scenario definer and ecosystem co-builder. UBTECH has been adopting humanoid robots and AI as the company’s core strategy, and focusing strategically on the research and development of embodied intelligence technology and its commercial application, and working hard on the breakthrough towards the commercialization of humanoid robot technology and AI technology, committed to expanding the reach of humanoid robots from industrial and commercial applications to every household. Specifically, we will focus on the following areas:

1. *Humanoid robots*

We will continue to invest in the research and development of new models for the Walker series of industrial humanoid robots, deeply iterate the full-stack technology of humanoid robots, and realize the software and hardware iteration for the new generation of humanoid robots. We will enhance the stability and reliability of the humanoid robot system, and make breakthroughs on such key technologies as the new-generation integrated joints, dexterous hands with five bionic fingers, and embodied intelligence of cerebrum and cerebellum. By further comprehensively enhancing the motion capabilities, intelligence level and autonomous operation capabilities of the Walker series, and synergizing with workers, AGVs, automated logistics vehicles and intelligent manufacturing management systems, we strive to provide stable, reliable, safe and practical services for industrial scenarios, and improve the level of intelligence and flexibility in industrial manufacturing.

2. *Multimodal perception and large model technology*

Driven by the high-dimensional decision-making demands in complex production line tasks, we will continue to develop a large multimodal reasoning model for humanoid robots, which, as the core engine of the super cerebrum, will promote the continuous self-evolution of the BrainNet architecture and unleash the outburst of collective intelligence. Based on DeepSeek-R1 deep reasoning technology, by virtue of its powerful data processing and intelligent decision-making capabilities, the reasoning model gives humanoid robots the ability to reason like humans with common sense, and supports the efficient decomposition, scheduling and collaboration of complex tasks among multiple humanoid robots. The multimodal

reasoning model of UBTECH humanoid robots will be trained and improved based on hundreds of millions of high-quality industrial data sets accumulated by the Walker S series from the forefront training tasks in multiple factories, adding multimodal features and quickly training professional work types based on RAG (retrieval-augmented generation) technology. Consequently, the decision-making and generalization capabilities of robots across various workstations will be significantly improved, providing strong support for the large-scale application of humanoid robots in industrial scenarios.

3. *Embodied intelligence decision-making technologies*

For the scenario of humanoid robots collaborating in groups, we will continue to explore the group intelligence technology that evolves through the intensive interaction between group behaviors and external physical environment. We will constantly improve the UBTECH BrainNet architecture, enhance the reasoning capabilities of the super cerebrum and the skill supply abilities of the intelligent cerebellum, and accumulate more industrial scenario databases and multi-scale model libraries. Through dynamic interactions and coordination among distributed individuals, group intelligence technologies deliver the global wisdom better than the capabilities of any individual. This can aid humanoid robots in efficient decision-making and adaptive optimization, making breakthroughs in large-scale commercial applications across various scenarios and tasks.

4. *End-to-end motion control technology*

We will continue to make breakthroughs in the research and development of task-oriented full-body motion control and dexterous manipulation technologies based on end-to-end learning models. With the actual data accumulated in the early stage from the POC site at the depot, we will optimize the full-body motion capabilities of robots iteratively and promote the operational efficiency of Walker. Furthermore, we will further iterate the end-to-end dexterous manipulation technology to meet the demands of complex tasks in real scenarios, such as screwing, sorting, assembly, multi-robot collaboration, and human-robot collaboration.

5. *Continuously iterating and optimizing the autonomous driving technology for L4 level driverless vehicles*

We will incorporate OCC occupancy network technology to improve perception, tracking and prediction capabilities, and introduce game decision-making control solutions to improve the intelligence, safety, stability and operational efficiency of L4 autonomous driverless technology. Additionally, we will facilitate their applications in more scenarios in the park with preliminary trials in open road environments, exploring the application of end-to-end technologies on L4 automated logistics vehicles simultaneously.

FINANCIAL REVIEW

Overview

We generate revenue primarily from sales of (i) education smart robotic products and services, (ii) logistics smart robotic products and services, (iii) other sector-tailored smart robotic products and services and (iv) consumer-level robots and other hardware devices. Our revenue in 2024 increased by 23.7% to RMB1,305.4 million compared to RMB1,055.7 million in 2023 owing to changes in revenue mix as detailed below.

Revenue by products and services

	Year ended 31 December				
	2024		2023		
	<i>Amount</i>	<i>% of</i>	<i>Amount</i>	<i>% of</i>	<i>Year-to-year</i>
	<i>RMB'000</i>	<i>Revenue</i>	<i>RMB'000</i>	<i>Revenue</i>	<i>change</i>
		<i>Amount</i>		<i>Amount</i>	<i>(%)</i>
Education smart robotic products and services	363,398	27.8	347,328	32.9	4.6
Logistics smart robotic products and services	321,664	24.7	389,724	36.9	(17.5)
Other sector-tailored smart robotic products and services	140,705	10.8	62,238	5.9	126.1
Consumer-level robots and other hardware devices	477,036	36.5	253,583	24.0	88.1
Others ^(Note)	2,558	0.2	2,825	0.3	(9.5)
Total	<u>1,305,361</u>	<u>100.0</u>	<u>1,055,698</u>	<u>100.0</u>	<u>23.7</u>

Note: “Others” primarily included sales of raw materials and spare parts.

Our revenue attributable to education smart robotic products and services increased by 4.6% from RMB347.3 million in 2023 to RMB363.4 million in 2024, and the business maintained steady growth.

Our revenue attributable to logistics smart robotic products and services decreased by 17.5% from RMB389.7 million in 2023 to RMB321.7 million in 2024. This is mainly because some of the projects signed in 2024 had not been delivered and accepted by the end of the year, resulting in a decrease in revenue.

Our revenue attributable to other sector-tailored smart robotic products and services increased by 126.1% from RMB62.2 million in 2023 to RMB140.7 million in 2024, primarily due to the increase in new application scenarios and the increase in sales volume of humanoid robots leading to the revenue growth.

Our revenue attributable to consumer-level robots and other hardware devices increased by 88.1% from RMB253.6 million in 2023 to RMB477.0 million in 2024, primarily because we continuously launched new consumer-grade intelligent products, driving revenue growth.

Gross profit and gross profit margin

Our gross profit increased by 12.4% from RMB332.8 million in 2023 to RMB374.0 million in 2024. Our gross profit margins were 28.7% and 31.5% in 2024 and 2023, respectively, primarily due to changes in product mix, with the proportion of revenue from consumer-grade robots and other hardware devices increasing while their gross profit margins are relatively low, and the proportion of revenue from our educational intelligent robot products and services, which have higher gross profit margins, decreasing.

Other income

Our other income increased by 38.2% from RMB27.2 million in 2023 to RMB37.6 million in 2024, primarily due to the increase in government subsidies and value-added tax refund amounts.

Selling expenses

Our selling expenses increased by RMB17.8 million from RMB506.1 million in 2023 to RMB523.9 million in 2024, and decreased to 40.1% in 2024 compared with 47.9% in 2023 as a percentage of the Group's revenue. The increase in selling expenses is mainly due to a rise in advertising and promotion expenses mainly for consumer-grade robots and other hardware devices, which increased by RMB44.5 million, from RMB90.9 million in 2023 to RMB135.4 million in 2024. Other key expenses include employee compensation expenses of RMB237.5 million, sales commissions of RMB42.6 million, marketing, conference and travel expenses of RMB27.1 million, and depreciation and amortization of RMB20.7 million in 2024.

Administrative expenses

Our administrative expenses decreased by RMB29.7 million, from RMB399.7 million in 2023 to RMB370.0 million in 2024, and as a percentage of the Group's revenue, decreased from 37.9% in 2023 to 28.3% in 2024, primarily due to a decrease in listing expenses. We incurred one-off listing expenses of RMB63.7 million in 2023, while no such expenses were incurred in 2024. In 2024, administrative expenses mainly comprised employee remuneration and benefit expenses of RMB254.3 million, depreciation and amortization of RMB35.0 million, business development, conference and traveling expenses of RMB6.4 million, office expenses of RMB11.8 million and professional service fees of RMB10.7 million.

Research and development expenses

Our research and development expenses decreased by RMB12.4 million from RMB490.5 million in 2023 to RMB478.1 million in 2024, and decreased to 36.6% in 2024 compared with 46.5% in 2023 as a percentage of our revenue, primarily due to a decrease of RMB48.9 million in share-based payment expenses. Our research and development expenses mainly comprised staff remuneration of RMB406.3 million, materials consumed of RMB23.4 million and software tools and consumer goods of RMB15.3 million in 2024.

Credit impairment losses

Our net credit impairment losses increased from RMB145.0 million in 2023 to RMB156.0 million in 2024, primarily due to the deferred payment of accounts receivable from certain government-related customers. Out of prudence, the corresponding impairment was recognized in 2024.

Finance income/(expenses)

We have improved from a finance expense of RMB9.0 million in 2023 to a finance income of RMB6.0 million in 2024, primarily driven by the increase in foreign exchange gains.

Income tax expense

Income tax expense decreased to RMB10.7 million in 2024 as compared to RMB37.4 million in 2023, primarily due to the decrease in the pre-tax income of the subsidiaries subject to taxation.

Loss for the year

As a result of the foregoing, our loss for the year was RMB1,264.6 million and RMB1,159.9 million in 2023 and 2024, respectively.

Non-GAAP measures

To supplement our consolidated financial statements, which are presented in accordance with PRC GAAP, we also use “adjusted net loss for the year (non-GAAP measure)” and “adjusted EBITDA (non-GAAP measure)” as additional financial measures. We present this financial measure because it is used by our management to evaluate our financial performance. We also believe this non-GAAP measures provide additional information to investors and others in their understanding and evaluating our results of operations in the same manner as they help our management. However, these non-GAAP measures do not have a standardized meaning prescribed by PRC GAAP and therefore, they may not be comparable to similar measures presented by other companies.

We define “adjusted net loss for the year (non-GAAP measure)” as loss for the year adjusted by adding back share-based payments (being non-cash in nature) and listing expenses (which is related to the global offering of the Company (the “**Global Offering**”)). We define “adjusted EBITDA non-GAAP measure” as “adjusted net loss for the year (non-GAAP measure)” adding back (i) interest expenses, (ii) income tax expense, (iii) credit impairment loss and asset impairment loss; (iv) depreciation of fixed assets and amortization of long-term prepaid expenses, depreciation of right-of-use assets and amortization of intangible assets, which are non-cash in nature, and (v) deducting interest income from it.

The following table sets forth the reconciliation of net loss and “adjusted net loss for the year (non-GAAP measure)” and “adjusted EBITDA (non-GAAP measure)” for the years ended December 31, 2023 and 2024:

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Reconciliation of net loss and “adjusted net loss for the year (non-GAAP measure)” and “adjusted EBITDA (non-GAAP measure)”		
Net loss for the year	(1,159,924)	(1,264,590)
<i>Add:</i>		
Share-based payments	245,326	383,839
Listing expenses	—	63,749

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Adjusted net loss for the year (non-GAAP measure)	(914,598)	(817,002)
<i>Add:</i>		
Interest expenses ^(Note)	26,976	14,949
– Interest expenses on lease liabilities	3,082	2,847
– Interest expenses on borrowings	92,605	59,408
– Interest expenses capitalised	(68,711)	(47,306)
Income tax expense	10,665	37,361
Depreciation of right-of-use assets	30,802	32,039
Depreciation of fixed assets and amortization of long-term prepaid expenses	46,006	46,904
Amortization of intangible assets	8,339	7,002
Credit impairment loss	156,014	144,995
Asset impairment loss	43,219	26,376
	<hr/>	<hr/>
<i>Less:</i>		
Finance income	15,946	8,078
	<hr/>	<hr/>
Adjusted EBITDA (non-GAAP measure)	(608,523)	(515,454)
	<hr/>	<hr/>

Note: Interest expenses included interest expenses on borrowings, net of amount capitalised and interest expenses on lease liabilities.

Liquidity and capital resources

Cash used in operation in 2024 was approximately RMB883.6 million (RMB1,000.0 million in 2023). As of December 31, 2024, the Group had cash and cash equivalents of approximately RMB1,191.0 million (RMB520.9 million as of December 31, 2023) with approximately RMB1,537.6 million of external bank borrowings (RMB1,453.5 million as of December 31, 2023).

In terms of gearing, the Group's gearing ratios (defined as total interest-bearing borrowings and lease liabilities divided by total equity) in December 31, 2023 and 2024 were 73.3% and 71.6%, respectively. The current ratios of the Group (defined as total current assets divided by total current liabilities) as of December 31, 2023 and December 31, 2024 were 1.5 times and 1.4 times respectively. As of December 31, 2024, the Group had no material contingent liabilities. With the cash and bank balances in hand and the net proceeds received from the several rounds of placing of new H Shares under the general mandate granted to the Directors to allot, issue and deal with additional H Shares pursuant to a resolution of the Shareholders passed at the annual general meeting of the Company held on May 21, 2024 (the “**General Mandate**”) in 2024 and early 2025, the Group's liquidity position remains strong to meet its working capital requirements.

As of December 31, 2024, our interest-bearing bank and other borrowings were RMB1,537.6 million. Our interest-bearing bank and other borrowings increased from RMB1,453.5 million as of December 31, 2023 to RMB1,537.6 million as of December 31, 2024 mainly in respect of daily operations and the payments of the construction cost of the headquarter building of the Group located in Shenzhen.

Pledge of assets

As of December 31, 2023 and 2024, 100% equity interest of Shenzhen UBTECH Technology Industrial Co., Ltd., a subsidiary of our Group, and the land use rights held by it, have been pledged to secure bank loans of our Group mainly for our construction of property, plant and equipment.

Treasury policies and exposure to fluctuations in exchange rates

Most of the Group's revenues are denominated in RMB as its operations are mainly located in China. As of December 31, 2024, approximately 81.2% (79.0% as of December 31, 2023) of the Group's bank balances and cash was denominated in RMB and 13.7% (17.4% as of December 31, 2023) of the Group's bank balances and cash was denominated in HKD which was mainly proceeds from the placings of new H Shares under the General Mandate. The remaining 5.1% (3.6% as of December 31, 2023) was denominated in United States Dollars, Euros, Singapore Dollars, Pounds or Japanese Yen. The Group continues to adopt a conservative approach in its foreign exchange exposure management. For the year ended December 31, 2024, the Group did not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group reviews its foreign exchange risks periodically and uses derivative financial instruments to hedge against such risks when necessary.

CONSOLIDATED INCOME STATEMENT

All amounts in RMB'000 unless otherwise stated

Item	Note	2024	2023
I. Revenue	5	1,305,361	1,055,698
Less: Cost of sales	5, 6	(931,352)	(722,880)
Taxes and surcharges		(9,891)	(8,593)
Selling expenses	6	(523,930)	(506,113)
General and administrative expenses	6	(370,006)	(399,706)
Research and development expenses	6	(478,108)	(490,502)
Finance expenses		5,983	(9,011)
Including: Interest expenses		(26,976)	(14,949)
Interest income		15,946	8,078
Add: Other income		37,635	27,220
Investment income/(loss)		20,381	(71)
Including: Share of loss of an associate and a joint venture		(5,818)	(71)
Gains and losses from fair value changes		8	–
Credit impairment losses		(156,014)	(144,995)
Asset impairment losses		(43,219)	(26,376)
Gains/(losses) on disposals of assets		40	(2,307)
II. Operating loss		(1,143,112)	(1,227,636)
Add: Non-operating income		2,297	1,037
Less: Non-operating expenses		(8,444)	(630)
III. Total loss		(1,149,259)	(1,227,229)
Less: Income tax expenses	7	(10,665)	(37,361)

Item	Note	2024	2023
IV. Net loss		<u>(1,159,924)</u>	<u>(1,264,590)</u>
Classified by continuity of operations			
Net loss from continuing operations		<u>(1,159,924)</u>	<u>(1,264,590)</u>
Classified by ownership of the equity			
Net loss attributable to shareholders of the Company		(1,123,590)	(1,234,048)
Loss attributable to minority interests		<u>(36,334)</u>	<u>(30,542)</u>
V. Other comprehensive loss, net of tax			
Other comprehensive income that will not be subsequently reclassified to profit or loss			
Change in fair value of investments in other equity instruments		(1,278)	500
Other comprehensive income that will be reclassified to profit or loss			
Translation difference on foreign currency financial statements		<u>(2,189)</u>	<u>13,096</u>
VI. Total comprehensive loss		<u><u>(1,163,391)</u></u>	<u><u>(1,250,994)</u></u>
Total comprehensive loss attributable to shareholders of the Company		(1,127,057)	(1,220,452)
Total comprehensive loss attributable to minority interests		<u>(36,334)</u>	<u>(30,542)</u>
VII. Losses per share			
Basic and diluted losses per share (RMB)	8	<u><u>(2.67)</u></u>	<u><u>(3.05)</u></u>

CONSOLIDATED BALANCE SHEET

All amounts in rmb'000 unless otherwise stated

Assets	<i>Note</i>	December 31, 2024	December 31, 2023
Current assets			
Cash at bank and on hand		1,223,715	541,402
Financial assets held for trading		15,008	–
Notes receivables		36,819	6,641
Accounts receivables	9	913,498	833,673
Prepayments		117,801	120,408
Other receivables	10	26,435	869,456
Inventories		460,500	416,024
Other current assets		112,417	129,633
Total current assets		2,906,193	2,917,237
Non-current assets			
Long-term receivables	9	140,351	–
Long-term equity investments		23,352	19,929
Investment in other equity instruments		49,795	6,073
Fixed assets		139,035	141,830
Construction in progress		1,308,779	1,010,999
Right-of-use assets		58,063	65,719
Intangible assets		447,448	439,245
Goodwill		10,351	52,221
Long-term prepaid expenses		28,635	26,741
Other non-current assets		21,523	85,641
Total non-current assets		2,227,332	1,848,398
Total assets		5,133,525	4,765,635

Liabilities and Shareholders' equity	<i>Note</i>	December 31, 2024	December 31, 2023
Current liabilities			
Short-term borrowings	11	793,365	777,223
Notes payable		–	3,964
Accounts payables	12	547,808	412,534
Contract liabilities		61,425	58,945
Employee benefits payable		124,344	152,319
Taxes payable		82,498	73,620
Other payables		391,094	382,829
Non-current liabilities to be settled within one year		70,982	62,771
Other current liabilities		21,031	27,900
Total current liabilities		2,092,547	1,952,105
Non-current liabilities			
Long-term borrowings	13	708,630	648,989
Lease liabilities		36,553	41,514
Deferred income		47,961	32,889
Deferred tax liabilities		302	1,255
Total non-current liabilities		793,446	724,647
Total liabilities		2,885,993	2,676,752
Shareholders' equity			
Share capital	14	431,623	417,851
Capital surplus		8,477,261	7,212,784
Other comprehensive income		5,518	8,985
Accumulated losses		(6,802,797)	(5,679,207)
Total equity attributable to the shareholders of the Company		2,111,605	1,960,413
Minority interests		135,927	128,470
Total shareholders' equity		2,247,532	2,088,883
Total liabilities and shareholders' equity		5,133,525	4,765,635

1 GENERAL INFORMATION

UBTECH ROBOTICS CORP LTD (hereinafter referred to as the “**Company**”) was a joint stock company established in the People’s Republic of China (the “**PRC**”) on March 31, 2012. The registered address and headquarters of the Company is in Shenzhen City, Guangdong Province, the PRC. The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited on December 29, 2023. As of December 31, 2024, the total share capital of the Company was RMB431,622,824, each with par value of RMB1. The major shareholder of the Company is Mr. Zhou Jian, and as at December 31, 2024, he directly and indirectly held a total of 27.37% of the equity interest of the Company through certain partnership. In view of Mr. Zhou Jian’s indirect interest in the Company through certain partnerships, and given that Mr. Zhou Jian has entered into agreements with certain shareholders of the Company whereby such shareholders have agreed to entrust Mr. Zhou Jian or to follow his decision in exercising the voting rights of such shareholders, Mr. Zhou Jian is regarded as the ultimate controlling shareholder of the Company as of December 29, 2024. On December 29, 2024, Mr. Zhou Jian signed agreements with certain shareholders to terminate the granting of voting rights of these shareholders. Since then, the Company has had no ultimate controlling shareholder.

The Company and its subsidiaries (collectively, the “**Group**”) are primarily engaged in the research and development, design, production and sales of robotic products and provision of ancillary service and solutions.

These financial statements were authorised for issue by the Board of the Company on March 30, 2025.

2. PREPARATION BASIS OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises – Basic Standard, and the specific accounting standards and relevant regulations issued by the Ministry of Finance on February 15, 2006 and in subsequent periods (hereafter collectively referred to as the “**Accounting Standards for Business Enterprises**”).

The financial statements are prepared on a going concern basis.

Certain matters relating to financial statements have been disclosed in accordance with disclosure requirements of the Hong Kong Companies Ordinance.

3. SEGMENT INFORMATION

The Group determines operating segments on the basis of the internal organisational structure, management requirements and internal report system, and determines reporting segments on the basis of operation segments, and discloses information of the segments.

An operating segment is a component of our Group that meets all the following conditions: (1) it engages in business activities from which it may earn revenues and incur expenses; (2) its financial performance is regularly reviewed by the Group’s Management to make decisions about resource to be allocated to the segment and assess its performance; (3) the Group is able to obtain its accounting information regarding financial position, financial performance and cash flows. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and satisfy certain conditions. As the management of the Group believes that the Group has only one operating segment, the Group does not disclose any segment information.

During 2024, more than 90% of the Group’s non-current assets, excluding financial instruments and deferred income tax assets, were situated in Mainland China.

4. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 17 (“**Interpretation No. 17**”) and the Interpretation of Accounting Standards for Business Enterprises No. 18 (“**Interpretation No. 18**”) in 2023 and 2024, respectively. The Group has adopted Interpretation No. 17 and Interpretation No. 18 in the preparation of the 2024 annual financial statements and the above interpretations have no significant impact on the financial statements of the Group.

5. REVENUE AND COST OF SALES

	2024		2023	
	Revenue	Cost of sales	Revenue	Cost of sales
Sales of goods	1,247,606	890,994	964,273	691,439
Provision of services	57,755	40,358	91,425	31,441
	1,305,361	931,352	1,055,698	722,880

The Group’s revenue breakdown based on the geographical regions and the timing of delivery of goods and provision of services are as follows:

	2024	2024	2024
	Mainland China	Hong Kong and overseas	Total
Revenue			
Including: Recognised at a point in time	820,442	427,164	1,247,606
Recognised over time	57,033	722	57,755
	877,475	427,886	1,305,361
	2023	2023	2023
	Mainland China	Hong Kong and overseas	Total
Revenue			
Including: Recognised at a point in time	735,481	228,792	964,273
Recognised over time	89,540	1,885	91,425
	825,021	230,677	1,055,698

In 2024, the revenue contributed by two customers which individually contributed more than 10% of the total revenue of the Group amounted to RMB436,945,000 in total, representing 33% of the Group’s revenue.

In 2023, the revenue contributed by two customers which individually contributed more than 10% of the total revenue of the Group amounted to RMB422,822,000 in total, representing 40% of the Group’s revenue.

6. EXPENSES BY NATURE

The cost of sales, selling expenses, general and administrative expenses, research and development expenses presented in consolidated income statement classified by nature are sets out below:

	2024	2023
Raw materials and consumables used	791,903	654,352
Employee benefit expenses	695,335	622,970
Share-based payments	245,326	383,839
Advertising and promotion expenses	135,445	90,932
Depreciation and amortisation	85,147	85,945
Transportation expenses	67,192	35,321
Changes in finished goods, work in progress, delivered goods and contract fulfilment costs	(54,566)	(71,611)
Sales commission	42,572	26,305
Travelling expenses	41,976	37,867
Subcontracting expenses	37,390	22,010
Outsourcing labour costs	34,309	23,839
Warehousing and storage expenses	32,978	17,932
Office expenses	29,622	19,215
Entertainment expenses	26,219	25,277
Software tools and consumables	15,262	18,885
Professional service fees	10,728	6,278
Repair and maintenance expenses	10,588	6,633
Installation costs	7,752	10,259
Scrap of inventories	5,813	4,760
Listing expenses	–	63,749
Auditors' remuneration	5,933	7,470
– Audit services	5,520	6,100
– Non-audit services	413	1,370
Others	36,472	26,974
	2,303,396	2,119,201

7. INCOME TAX EXPENSES

	2024	2023
Current income tax calculated based on tax law and related regulations	11,618	37,361
Deferred income tax	(953)	–
	10,665	37,361

The Group's statutory tax rate in the PRC is 25%, while some PRC subsidiaries of the Group are subject to preferential tax rates of 5% and 15%. Subsidiaries in Hong Kong and North America are subject to an income tax rate of 16.5% and 29.84%, respectively.

8. LOSSES PER SHARE

Basic losses per share is calculated by dividing the consolidated net loss attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares of the Company:

	2024	2023
Consolidated net loss attributable to ordinary shareholders of the Company (<i>RMB'000</i>)	1,123,590	1,234,048
Weighted average number of outstanding ordinary shares of the Company (<i>Share</i>)	421,322	405,149
Basic losses per share (<i>RMB</i>)	2.67	3.05

As there were no dilutive potential ordinary shares in 2024 and 2023, diluted losses per share equal to basic losses per share.

9. ACCOUNTS RECEIVABLES AND LONG-TERM RECEIVABLES

(a) Accounts receivables

	December 31, 2024	December 31, 2023
Accounts receivables	1,311,563	1,068,734
Less: Loss allowance	(398,065)	(235,061)
	913,498	833,673

The ageing analysis of accounts receivables by invoice date is as follows:

	December 31, 2024	December 31, 2023
Within 6 months	613,709	618,188
6 months to 1 year	102,805	67,318
1 to 2 years	251,584	291,208
2 to 3 years	262,588	59,991
Over 3 years	80,877	32,029
	1,311,563	1,068,734

(b) Long-term receivables

	December 31, 2024	December 31, 2023
Receipt in instalments for sales of goods	140,709	–
Less: Loss allowance	(358)	–
	140,351	–

10. OTHER RECEIVABLES

	December 31, 2024	December 31, 2023
Receivables in respect of listing proceeds <i>(a)</i>	–	828,142
Deposits and guarantees receivables <i>(b)</i>	8,859	36,134
Receivables relating to asset disposals	3,500	7,000
Advances to employees	2,298	2,696
Receivables from equity transfer	10,783	–
Others	10,299	12,136
	35,739	886,108
Less: Loss allowance	(9,304)	(16,652)
	26,435	869,456

(a) The shares of the Company were listed on the Main Board of Hong Kong Stock Exchange on December 29, 2023 and the gross proceeds raised from international placing tranche is amount to HK\$913,842,000 (equivalent to approximately RMB828,142,000) in aggregate on the listing date. Such proceeds, after deducting relevant amounts due to underwriters by the Company, were transferred from our underwriters to the Company's fundraising account in Hong Kong on January 3, 2024.

(b) As at December 31, 2024 and December 31, 2023, the Group's deposits and guarantees receivable mainly include deposits paid for guarantees of product quality, deposits paid for construction in progress and rental deposits paid by the Group.

There is no situation in the Group where funds were classified as other receivables due to centralized fund management.

11. SHORT-TERM BORROWINGS

	December 31, 2024	December 31, 2023
Secured and guaranteed borrowings (a)	138,188	72,146
Secured borrowings (b)	25,083	2,000
Guaranteed borrowings (c)	580,094	643,063
Unsecured credit borrowings	50,000	60,014
	<u>793,365</u>	<u>777,223</u>

- (a) As at December 31, 2024, secured and guaranteed borrowings of RMB138,188,000 (December 31, 2023: RMB72,146,000) were secured by certain land use rights of the Group, 100% equity interest of a subsidiary Shenzhen UBTECH Technology Industrial Co., Ltd. (深圳市優必選科技實業有限公司), and 16 patent rights developed by the Group as collateral, and guaranteed by our Company and Mr. Zhou Jian. As at February 6, 2024, the guarantee from Mr. Zhou Jian was released.
- (b) As at December 31, 2024, secured borrowings of RMB25,083,000 from banks were short-term borrowings secured by patent rights developed by the Group (December 31, 2023: RMB2,000,000).
- (c) As at December 31, 2024, guaranteed borrowings of RMB580,094,000 (December 31, 2023: RMB643,063,000) were obtained by a subsidiary of the Group, which are guaranteed by the Company and other subsidiaries.

12. ACCOUNTS PAYABLES

	December 31, 2024	December 31, 2023
Payables for purchase of raw materials	408,405	260,408
Payables for outsourcing labour costs	138,396	148,351
Others	1,007	3,775
	<u>547,808</u>	<u>412,534</u>

The ageing analysis of accounts payables based on invoice dates of recognition is as follows:

	December 31, 2024	December 31, 2023
Within 6 months	424,338	323,456
6 months to 1 year	46,310	24,766
1 to 2 years	62,814	37,616
Over 2 years	14,346	26,696
	547,808	412,534

As at December 31, 2024, accounts payables over one year amounted to RMB77,160,000 (December 31, 2023: RMB64,312,000), which were mainly outsource projects payables, part of which will be settled upon inspection and acceptance due to their long construction period.

13. LONG-TERM BORROWINGS

	December 31, 2024	December 31, 2023
Secured and guaranteed borrowings	744,273	676,311
Less: Long-term borrowings repayable within one year	(35,643)	(27,322)
	708,630	648,989

As at December 31, 2024, secured and guaranteed borrowings of RMB744,273,000 (December 31, 2023: RMB676,311,000) from banks were secured by certain land use rights of the Group, 100% equity interest of a subsidiary Shenzhen UBTECH Technology Industrial Co., Ltd. (深圳市優必選科技實業有限公司), and 16 patent rights developed by the Group as collateral, and guaranteed by our Company and Mr. Zhou Jian, payable every three months, and the principal should be fully repaid before June 18, 2031. As at February 6, 2024, the guarantee from Mr. Zhou Jian was released.

14. SHARE CAPITAL

	December 31, 2023	Issuance of new shares in the current year	December 31, 2024
Share capital (a)	<u>417,851</u>	<u>13,772</u>	<u>431,623</u>
	December 31, 2022	Issuance of new shares in the current year	December 31, 2023
Share capital (b)	<u>396,173</u>	<u>21,678</u>	<u>417,851</u>

- (a) In January 2024, the Company issued a total of 292,150 shares to investors through private placing at the price of HK\$90.00 per share and funded totally RMB22,953,000, of which RMB292,000 was included in share capital and RMB22,661,000 was included in share premium.

In August 2024, the Company issued a total of 1,420,000 shares to placees through private placing at the price of HK\$92.00 per share and funded totally RMB112,094,000, of which RMB1,420,000 was included in share capital and RMB110,674,000 was included in share premium.

In October 2024, the Company placed a total of 5,060,000 shares to placees through private placing at the price of HK\$86.18 per share and funded totally RMB373,215,000, of which RMB5,060,000 was included in share capital and RMB368,155,000 was included in share premium.

In November 2024, the Company issued a total of 7,000,000 shares to placees through private placing at the price of HK\$83.88 per share and funded totally RMB504,952,000, of which RMB7,000,000 was included in share capital and RMB497,952,000 was included in share premium.

- (b) In February 2023, the Company issued a total of 10,395,538 shares to investors through private placing at the price of RMB78.88 per share and funded totally RMB820,000,000, of which RMB10,396,000 was included in share capital and RMB809,604,000 was included in share premium. The shares of the Company were listed on the Main Board of Hong Kong Stock Exchange on December 29, 2023 and publicly issued a total of 11,282,000 shares at the price of HK\$90.00 per share. The total proceeds were HK\$1,015,380,000 (equivalent to RMB920,508,000), after deducting capitalized issuance expense of RMB43,074,000, the amount of RMB11,282,000 was included in share capital and RMB866,152,000 was included in share premium. The proceeds from international placement of the Company of HK\$913,842,000 (RMB828,142,000 in aggregate) are temporarily deposited in the account of the Company's underwriter on December 31, 2023, and transferred into the Company's fundraising account in Hong Kong on January 3, 2024.

15. DIVIDENDS

On March 30, 2025, the Board of the Company did not recommend the distribution of dividends for the year 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the corporate governance code

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance practices.

The Board is of the view that during the year ended December 31, 2024, the Company has complied with all the applicable code provisions as set out in the CG Code, except for Code Provision C.2.1 as disclosed below. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhou Jian is both the chairman of the Board and the chief executive officer of the Company. Since establishment of our Group in 2012, Mr. Zhou has been a key leadership figure of our Group and has been deeply involved in the formulation of business strategies for and the determination of the overall direction of our Group. Taking into account the continuation of management and the implementation of our business strategies, our Directors (including our independent non-executive Directors) consider that it would be most suitable for Mr. Zhou to hold both the positions of chief executive officer and the chairman of the Board, and that the existing arrangements are beneficial to the management of our Group and are in the interests of the Company and the Shareholders as a whole. The balance of power and authority is ensured by the operation of the senior management and our Board, both of which comprises experienced and high-calibre individuals. Our Board comprises four executive Directors (including Mr. Zhou), three non-executive Directors and four independent non-executive Directors, and therefore has a strong independence element in its composition.

In light of the above, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in the circumstances of the Company. The Board will continue to review the current structure from time to time and consider the appropriate move to take when appropriate.

Compliance with the model code

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the supervisors of the Company (the “**Supervisors**”), and the Group’s employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company’s securities. Specific enquiries have been made to all Directors and Supervisors and the Directors and Supervisors have confirmed that they have complied with the required standards set out in the Model Code during the year ended December 31, 2024.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the year ended December 31, 2024.

Purchase, sale or redemption of the company’s listed securities

References are made to the announcements of the Company dated January 19, 2025 and January 24, 2025 in relation to the purchase of H Shares by the trustee of the Company from secondary market under the H Share Incentive Scheme (the “**Share Purchase**”). On January 24, 2025, the trustee of the H Share Incentive Scheme, Yunnan International Trust Co., Ltd.* (雲南國際信託有限公司), had purchased a total of 419,200 H Shares, representing approximately 0.097% of the total number of issued Shares, from the market to hold on trust for the benefit of the eligible participants of the H Share Incentive Scheme pursuant to the terms and conditions of the H Share Incentive Scheme with a total consideration of approximately HK\$30.7 million. For the avoidance of doubt, the Company did not, by itself, purchase, sale or redeem any H Shares under the Share Purchase.

Save as disclosed above, during the year ended December 31, 2024 and up to the date of this announcement, there was no purchase, sale or redemption of any listed securities of the Company (including the disposal of treasury shares (as defined in the Listing Rules)) by the Company or any of its subsidiaries. As at December 31, 2024, the Company did not hold any treasury shares (as defined in the Listing Rules).

Material legal proceedings

References are made to the announcements of the Company dated July 12, 2024, December 4, 2024 and December 12, 2024 in relation to the litigation raised by the plaintiff (the “**Plaintiff**”), Shanghai PartnerX Robotics Co., Ltd.* (上海未來夥伴機器人有限公司), against the Company in relation to the alleged patent right infringement (the “**Legal Proceedings**”). Following the decision by China National Intellectual Property Administration invalidating the patent right of the Plaintiff, namely “Method and Apparatus for Programming Robot Motion Sequences” (機器人運動序列的編程方法及裝置) (Patent number ZL200910045673.8), Shanghai Intellectual Property Court issued a civil ruling ((2024) Hu 73 Zhi Min Chu No. 141) (the “**Civil Ruling**”). According to the Civil Ruling, the Plaintiff applied to Shanghai Intellectual Property Court for withdrawal of the Legal Proceedings, and Shanghai Intellectual Property Court ruled to allow such withdrawal of the Legal Proceedings. As a result, the Legal Proceedings have been concluded.

As Shanghai Intellectual Property Court ruled to allow withdrawal of the Legal Proceedings by the Plaintiff, the Legal Proceedings shall have no material impact on the current and future business, operation and financial performance of the Group.

Save as disclosed above, the Group was not involved in any material legal proceedings during the year ended December 31, 2024.

Use of proceeds from the global offering

The net proceeds from the Global Offering and the partial exercise of the over-allotment option amounted to approximately HK\$931.21 million (the “**Proceeds from the Initial Public Offering of H Shares**”). As at December 31, 2024, the Group had utilized approximately HK\$672.14 million of the Proceeds from the Initial Public Offering of H Shares, with the unused portion of the proceeds amounting to approximately HK\$259.07 million.

As disclosed in the announcement of the Company dated May 15, 2024, the Board, based on the principle of prudence, after careful consideration and detailed evaluation of the progress of execution of the future plans and business strategy of the Group, resolved to change the use of the Proceeds from the Initial Public Offering of H Shares. The utilization of the Proceeds from the Initial Public Offering of H Shares up to December 31, 2024 was as below:

Use of proceeds	Proposed use of proceeds according to the prospectus (HK\$' million)	Unused amount as of April 30, 2024 (HK\$' million)	New reallocation of the unutilized net proceeds (HK\$' million)	Up to December 31, 2024 utilized unutilized (HK\$' million) (HK\$' million)		Expected timeline of use of unused amount
Further advance our R&D capabilities to enhance our core technologies and products and services offerings	425.76	394.80	425.76	213.10	212.66	By December 31, 2026
Repayment of bank loans	175.74	141.60	263.43	263.43	–	N/A
Enhance our R&D infrastructure to improve our R&D capabilities and efficiencies	71.56	70.16	71.56	25.15	46.41	By December 31, 2024 ^(Note)
Enhance brand awareness and market penetration	86.06	78.39	23.00	23.00	–	N/A
Further optimize our management and operational efficiency	56.16	56.16	–	–	–	Plan to utilize self-raised funds instead in accordance with the original plan, which will start in 2025
General working capital	<u>115.93</u>	<u>34.32</u>	<u>147.46</u>	<u>147.46</u>	<u>–</u>	N/A
Total	<u>931.21</u>	<u>775.43</u>	<u>931.21</u>	<u>672.14</u>	<u>259.07</u>	N/A

Note: Due to changes in the direction of product commercialization, the Company has adjusted the progress of its R&D projects accordingly to adapt to market changes and customer needs, leading to the relevant unutilized net proceeds as of December 31, 2024. The Company currently expects the remaining net proceeds to be fully utilized by June 30, 2025.

Reasons and benefits of the change in the use of proceeds from the initial public offering of H Shares

(1) Changes in “enhance brand awareness and market penetration”

The Company reallocated HK\$31.53 million under “enhance brand awareness and market penetration” to “general working capital” and HK\$31.53 million to “repayment of bank loans”, mainly due to the recent unprecedented wave of revolution in the development of artificial intelligence and humanoid robots globally, and on December 29, 2023, as the first humanoid robotics company in the PRC listed on the Stock Exchange, the Company has gained sufficient attention in the humanoid robotics market. Therefore, there is no immediate need for the Company to primarily apply its proceeds on the promotion of brand awareness and market penetration. Such proceeds would be used for repayment of bank loans to improve the fund utilization efficiency, reduce finance costs and increase net profit margin.

(2) Changes in “further optimize our management and operational efficiency”

The Company reallocated HK\$56.16 million under “further optimize our management and operational efficiency” to “repayment of bank loans”, mainly because the implementation of this item, being the purchase of a series of enterprise internal management systems, will begin in 2025 and up to the end of 2026, and the proceeds under this item would not be utilized for the time being. Therefore, for the purpose of improving the fund utilization efficiency, reducing finance costs and increasing net profit margin, such proceeds will be used for repayment of bank loans. Instead, the Company will use self-raised funds to satisfy the requirement of capital expenditure under the “further optimize our management and operational efficiency” item in the coming future.

Use of proceeds from placings of new H Shares under the general mandate

The Company has conducted several rounds of placing under the General Mandate in 2024, namely (i) the placing of 1,420,000 new H Shares at the placing price of HK\$92.00 per H Share under the placing agreement entered into between the Company, Guotai Junan Securities (Hong Kong) Limited and TradeGo Markets Limited dated August 1, 2024 (the “**First Placing**”); (ii) the placing of 5,060,000 new H Shares at the placing price of HK\$86.18 per H Share under the placing agreement entered into between the Company, Guotai Junan Securities (Hong Kong) Limited, CLSA Limited and TradeGo Markets Limited dated October 23, 2024 (the “**Second Placing**”); and (iii) the placing of 7,000,000 new H Shares at the

placing price of HK\$83.88 per H Share under the placing agreement entered into between the Company, Guotai Junan Securities (Hong Kong) Limited, CLSA Limited and TradeGo Markets Limited dated November 20, 2024 (the “**Third Placing**”). For further details, please refer to the announcements of the Company dated August 1, 2024, August 8, 2024, October 23, 2024, October 29, 2024, November 20, 2024, November 26, 2024, February 20, 2025, February 24, 2025 and February 27, 2025.

Reasons for and benefits of the placing

The Group is principally engaged in design, production, commercialization, sales and marketing and research development (R&D) of smart service robotic products and services. The Group’s offerings ranging from consumer-level robots and appliances, enterprise-level smart service robotic products and services tailored for education, logistics and other sectors, are equipped to different extents with smart features that sense, interact, analyze and process human instructions and external environment such as mapping, temperature measurement and facial recognition.

The Directors consider that the First Placing, the Second Placing and the Third Placing represent opportunities to replenish capital for continuous optimization and iteration and future large-scale commercialization in the global market of the products of the Group while broadening its Shareholders and capital base.

The Directors are of the view that the First Placing, the Second Placing and the Third Placing would strengthen the financial position of the Group and provide more efficient funding support to the Group. The Directors consider that the terms of the placing agreement under the First Placing, the Second Placing and the Third Placing (including the respective placing price) were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net proceeds from the First Placing, Second Placing and the Third Placing amounted to approximately HK\$121.85 million, HK\$407.73 million and HK\$551.88 million, respectively. The utilization of the proceeds from the First Placing, Second Placing and Third Placing up to December 31, 2024 was as below:

Use of proceeds	Net proceeds to be applied (HK\$' million)	Utilized net proceeds as of December 31, 2024 (HK\$' million)	Unutilized net proceeds as of December 31, 2024 (HK\$' million)
The First Placing			
Business operation and development	30.47	30.47	–
– Working capital and general corporate purposes	30.04	30.04	–
(a) Salaries, social insurance, housing fund, and other human resource expenses	–	–	–
(b) Payment to suppliers and service providers	27.42	27.42	–
(i) Procurement of materials for core business	16.02	16.02	–
(ii) Procurement of services for core business	4.20	4.20	–
(iii) Traveling and administrative services	3.66	3.66	–
(iv) Storage and logistics services	2.60	2.60	–
(v) Marketing and business development services	0.44	0.44	–
(vi) Human resources related services	0.50	0.50	–
(c) Other operating expenses	2.62	2.62	–
– Offshore and onshore investments ^(Note)	0.43	0.43	–
Repayment of amounts due under the credit facilities	91.38	91.38	–
	121.85	121.85	–

Use of proceeds	Net proceeds to be applied (HK\$' million)	Utilized net proceeds as of December 31, 2024 (HK\$' million)	Unutilized net proceeds as of December 31, 2024 (HK\$' million)
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The Second Placing

Business operation and development	254.49	220.95	33.54
– Working capital and general corporate purposes	253.97	220.43	33.54
(a) Salaries, social insurance, housing fund, and other human resource expenses	56.74	47.34	9.40
(i) For R&D personnel	13.47	9.52	3.95
(ii) For selling and marketing personnel	16.12	13.55	2.57
(iii) For management personnel	21.72	20.34	1.38
(iv) For production personnel	5.43	3.93	1.50
(b) Payment to suppliers and service providers	179.33	156.57	22.76
(i) Procurement of materials for core business	132.76	115.82	16.94
(ii) Procurement of services for core business	13.01	11.43	1.58
(iii) Traveling and administrative services	7.99	7.88	0.11
(iv) Storage and logistics services	14.20	13.28	0.92
(v) Marketing and business development services	10.46	7.29	3.17
(vi) Human resources related services	0.91	0.87	0.04
(c) Other operating expenses	17.90	16.52	1.38
– Offshore and onshore investments ^(Note)	0.52	0.52	–
Repayment of amounts due under the credit facilities	153.24	153.24	–
	407.73	374.19	33.54

Use of proceeds	Net proceeds to be applied (HK\$' million)	Utilized net proceeds as of December 31, 2024 (HK\$' million)	Unutilized net proceeds as of December 31, 2024 (HK\$' million)
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The Third Placing

Business operation and development	192.92	–	192.92
– Working capital and general corporate purposes	191.94	–	191.94
(a) Salaries, social insurance, housing fund, and other human resource expenses	46.72	–	46.72
(i) For R&D personnel	12.98	–	12.98
(ii) For selling and marketing personnel	13.99	–	13.99
(iii) For management personnel	14.34	–	14.34
(iv) For production personnel	5.41	–	5.41
(b) Payment to suppliers and service providers	117.45	–	117.45
(i) Procurement of materials for core business	75.75	–	75.75
(ii) Procurement of services for core business	15.10	–	15.10
(iii) Traveling and administrative services	8.82	–	8.82
(iv) Storage and logistics services	9.12	–	9.12
(v) Marketing and business development services	7.40	–	7.40
(vi) Human resources related services	1.26	–	1.26
(c) Other operating expenses	27.77	–	27.77
– Offshore and onshore investments ^(Note)	0.98	–	0.98
Repayment of amounts due under the credit facilities	358.96	–	358.96
	551.88	–	551.88

Note: Offshore and onshore investments mainly comprise the fees incurred for identification of potential target companies.

As of the date of this announcement, the Company has utilized entirely the net proceeds from the First Placing, the Second Placing and the Third Placing in accordance with the intended use of proceeds.

Audit committee

The Audit Committee currently comprises three independent non-executive Directors, being Mr. Xiong Chuxiong, Mr. Leung Wai Man, Roger and Mr. Poon Fuk Chuen. Mr. Xiong Chuxiong is the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated annual results of the Group for the year ended December 31, 2024 with the management and the auditor of the Company. The Audit Committee considered that the consolidated annual results of the Group for the year ended December 31, 2024 are in compliance with the applicable accounting standards, laws and regulations. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and issues in relation to internal control, risk management and financial reporting with the management of the Company.

Scope of work of the auditor

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended December 31, 2024 as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers Zhong Tian LLP, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers Zhong Tian LLP in this respect did not constitute an assurance engagement and consequently no assurance opinion has been expressed by PricewaterhouseCoopers Zhong Tian LLP on this annual results announcement.

EVENTS AFTER THE REPORTING PERIOD

References are made to the announcements of the Company dated September 2, 2024, September 20, 2024, September 30, 2024, January 27, 2025, February 28, 2025 and March 7, 2025 in relation to the implementation of the conversion of 42,173,987 Domestic Shares into H Shares and the listing and circulation of such converted H Shares (the “**Converted H Shares**”) on the Main Board of the Stock Exchange (the “**H Share Full Circulation**”). The Company has applied to the Stock Exchange for the approval of the listing of and the permission to deal in the Converted H Shares and such approval was granted by the Stock Exchange on February 28, 2025. The H Share Full Circulation completed on March 7, 2025 and the listing of the Converted H Shares on the Stock Exchange commenced at 9:00 a.m. on March 10, 2025.

On February 20, 2025, the Company entered into a placing agreement (the “**Placing Agreement**”) with three placing agents for the placing (the “**2025 Placing**”) of a total of 10,155,099 new H Shares (the “**Placing Shares**”) at the placing price of HK\$90.00 per Placing Share (the “**Placing Price**”) under the General Mandate upon the terms and subject to the conditions set out in the Placing Agreement. The 2025 Placing completed on February 27, 2025 and the Placing Shares were placed at the Placing Price to no less than six placees. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and their respective ultimate beneficial owners are third parties independent of, and not connected with, the Company and the connected persons of the Company; and (ii) none of the placees has become a substantial shareholder (as defined under the Listing Rules) of the Company immediately after the completion of the 2025 Placing. The Company received total net proceeds from the 2025 Placing (after deducting all related fees, costs and expenses to be borne or incurred by the Company) of approximately HK\$876.32 million. The Company intended to apply the net proceeds from the 2025 Placing for the Group’s business operation and development (including, among other things, working capital, general corporate purposes, offshore and onshore investments, and project construction and renovation) and repayment of amounts due (including principal and interests accrued thereon) under the credit facilities granted by the relevant financial institutions to the Group companies. For further details, please refer to the announcements of the Company dated February 20, 2025, February 24, 2025 and February 27, 2025.

Saved as disclosed above, there are no events causing significant impact on the Group from the balance sheet date to the date of this announcement.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend for the year ended December 31, 2024 (for the year ended December 31, 2023: nil).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ubtrobot.com).

The annual report of the Company for the year ended December 31, 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders (if requested) and published on the aforementioned websites of the Stock Exchange and the Company in due course.

By order of the Board
UBTECH ROBOTICS CORP LTD
深圳市優必選科技股份有限公司

Mr. Zhou Jian
Chairman, Executive Director and Chief Executive Officer

Shenzhen, the PRC
March 30, 2025

As at the date of this announcement, the Board comprises (i) Mr. Zhou Jian, Mr. Xiong Youjun, Ms. Wang Lin and Mr. Liu Ming as executive directors; (ii) Mr. Xia Zuoquan, Mr. Zhou Zhifeng and Mr. Chen Qiang as non-executive directors; and (iii) Mr. Zhao Jie, Mr. Xiong Chuxiong, Mr. Poon Fuk Chuen and Mr. Leung Wai Man, Roger as independent non-executive directors.