INTRON TECHNOLOGY HOLDINGS LIMITED
英恒科技控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1760)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS
(RMB in thousands, unless specified)

	31 December 2020	31 December 2019	Year-on-year Percentage Change
Financial Figures			
Revenue Breakdown:			
New Energy	**467,183**	1,011,828	-54%
Body Control	**421,936**	318,102	33%
Safety	**490,539**	373,747	31%
Powertrain	**244,037**	230,058	6%
Industrial	**302,974**	310,845	-3%
Rendering of Services & Others	**66,521**	64,719	3%
Total Revenue	**1,993,190**	2,309,299	-14%
Gross Profit	**358,246**	466,125	-23%
Profit for the Year	**94,800**	118,714	-20%
Earnings per Share *(RMB cents)*			
– Basic	**9.15**	11.46	-20%
– Diluted	**9.15**	11.41	-20%
Proposed Final Dividend per Share *(HK cents)*	**3.2**	3.8	-16%
			% point of change
Financial Ratio (% of Total Revenue)			
Gross Profit	**18.0%**	20.2%	-2.2
Research and Development Costs	**6.7%**	6.6%	0.1
Net Profit	**4.8%**	5.1%	-0.3

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Intron Technology Holdings Limited (the "**Company**") is pleased to announce the annual results and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2020 (the "**Year**") together with selected explanatory notes and the relevant comparative figures for 2019.

In this announcement, "we", "us", "our" refer to the Company and where the context otherwise requires, the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

The year of 2020 was a challenging year full of instability caused by the global outbreak of COVID-19 ("**COVID-19**"). When the COVID-19 epidemic spread in the People's Republic of China (the "**PRC**") in early 2020, the PRC government adopted critical measures to curb its spread, nevertheless, various industries including the automotive industry recorded a slowdown due to the effect caused by the pandemic. With the abatement of the COVID-19 epidemic, the automotive industry of the PRC gradually recovered since April 2020. According to the data published by the China Association of Automobile Manufacturers ("**CAAM**"), the overall sales of automotive vehicles in the PRC in 2020 was 25,311 thousand units, slightly decreased by 1.9% year-on-year, narrowing the decrease in 2019 by 6.3 percentage points.

In addition to the slowdown in the automotive industry resulting from the COVID-19 epidemic, the global semiconductor market experienced shortage of supply in the second half of 2020, being another unfavourable factor to the automotive industry. In spite of the market challenges, the Group seised opportunities on the market recovery and improved business results in the second half of 2020, compared with the first half of the Year. Leveraging the leading technology of the Group, coupled with over twenty years of experience and leading position in the industry, the Group continuously grew its automotive electronics business in 2020 with an overall better-than-market performance, alleviating the impact caused by various unfavourable factors. For the year ended 31 December 2020, the total revenue of the Group decreased by 14% year-on-year, of which the Body Control, Safety and Powertrain Solutions business under the automotive electronics segment grew by 33%, 31% and 6% year-on-year respectively; industrial-related business continued to maintain at a sound level, which was similar to the year of 2019; the revenue of the New Energy Vehicle ("**NEV**") business for the Year decreased by 54%, mainly due to the lower sales volume of major domestic brand customers and a shortage of semiconductors. Over the years, the Group has built a solid market position and technology advantage in the NEV market, especially amongst its domestic customers. In view of the changing landscape in the NEV market in the PRC, the Group has started business cooperation with various fast-growing electric car start-ups starting from second half of 2020.

BUSINESS REVIEW

In 2020, the business of the Group slowed down as a result of less favourable market condition. The Group's revenue amounted to RMB1,993.2 million, representing a decrease of 14% as compared with last year. Gross profit margin decreased slightly from last year's 20.2% to 18.0%. Net profit amounted to RMB94.8 million, representing a year-on-year decrease of 20%. During the Year, the Group outperformed the overall market for its automotive electronics business, while its industrial business maintained at a sound level, which was similar to that of last year. Meanwhile, the Group continued its investment on research and development ("**R&D**") to ensure that its level of technology and innovation remains its leading position in the industry. In 2020, the R&D expenses accounted for 6.7% of total revenue, which approximated to that of last year. Under the adverse market condition resulting in declined sales revenue as well as continuous R&D investment, the Group's net profit of the Year decreased by 20% compared to last year, with the net profit margin accounting for 4.8% of revenue. Despite lower revenue and margin contribution caused by adverse market situation, the Group adopted improvement measures to its operation resulting in a similar net profit margin level compared to last year. Coupled with continual investment in R&D, this will improve the Group's leading technological and operational advantages to deliver better margin and contribution when market recovers and when the NEV market expands to its maturity.

During the Year, the Group's key ultimate customers continued to comprise automotive makers and brands that manufacture motors vehicles ("**OEMs**") in the PRC, including the top ten renowned Chinese new energy passenger vehicles brands, such as BYD, SAIC, GAG, Geely, GWM and BAIC.

New Energy Vehicle Solutions

Due to the impact of the COVID-19 epidemic, lower sales volume of major domestic brand customers and a shortage of semiconductors in the second half of the Year, revenue from the Group's NEV Solutions business was RMB467.2 million, representing a year-on-year decrease of 54% compared with RMB1,011.8 million of last year. However, with the market recovery in the second half of the Year, segment performance showed improvement compared with that of the first half of the Year.

Furthermore, following the promulgation of the "Development Plan of New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃 (2021-2035)》)" by the State Council of the PRC in November 2020, which clearly stated the promotion of large-scale adoption of fuel cell commercial vehicles. Ample growth opportunities are expected in fuel cell vehicles due to government's subsidies and supporting policies. The Group has secured two fuel cell related control units product projects from China's leading OEMs in the fourth quarter of 2020, and the mass production is expected to begin in 2022. Moreover, the Group will establish a new business unit on fuel cell control products in 2021, focusing on the provision of relevant solutions and services.

Body Control, Safety and Powertrain Solutions

Notwithstanding an overall slower PRC's automotive market in 2020, the Group's automotive electronics business continued to outperform the market and recorded satisfactory growth. Among which, revenue of Body Control Solutions business for the Year reached RMB421.9 million, representing an increase of 33% year-on-year. The growth in segment revenue was mainly due to continual and increased adoption of semiconductors electrical and electronic products and also an increase of total number of domestic commercial vehicles for the Year. As for Safety and Powertrain Solutions business, segment revenue amounted to RMB490.5 million and RMB244.0 million respectively, representing year-on-year increase of 31% and 6% respectively. The revenue growth in Safety Solutions business was driven by the compulsory installation of Tire-pressure Monitoring System in new vehicles in the PRC starting from 2020. Furthermore, the segment growth was also improved with the increased market share of the Group, as well as the mass production of a new domain control units project in the area of Advanced Driver-assistance System ("**ADAS**"). Regarding the Powertrain segment, the business was benefitted from the growth in total number of commercial vehicles, driving increasing demand for local developed electronic control system and the increase in market share of low power smart actuator.

Industrial Solutions

COVID-19 continued to shape the home office working style, and the global market demand for cloud services has been accelerated. The world's major data centres and cloud service platform providers will continue to invest in hardware facilities to cater for the growing data demand, from which the Group's Industrial Solutions business has been benefitted, recording a revenue of RMB303.0 million, which approximated to that of last year.

For the year ended 31 December 2020, the Group provided 211 solutions to 1,065 customers. Delivering comprehensive solutions has enabled the Group to stand out among its industry peers, gain market share and command a leading presence in the field.

Research and Development

Despite the challenges ahead, the Group is confident of its R&D strategy in NEV and ADAS and continued to invest in these areas to further strengthen its capabilities and facilitate its business development. During the Year, R&D expenses was RMB133.6 million, accounting for 6.7% of revenue. As at 31 December 2020, the Group had 569 full-time R&D-related professionals, making up 62% of its total employees. The Group had secured 116 patents and 129 software copyrights, representing increase of 50 patents and 27 software copyrights, respectively.

In August 2020, the Group acquired partial equity interest in NOVAUTO (Beijing) Co., Ltd ("**NOVAUTO**"), a startup company incubated by Tsinghua University, at a consideration of RMB15 million. The Group believes that with NOVAUTO's intelligent driving platform, the Group creates strong synergies for developing solutions in both hardware and software. The Group has launched a number of R&D cooperation projects with NOVAUTO to jointly support domestic customers' automated driving projects.

In October 2020, the Group entered into strategic cooperation with Beijing Horizon Robotics Technology R&D Co., Ltd. ("**Horizon Robotics**"), a leading developer of edge AI chips in China. Both parties will deepen technological collaboration in areas of smart vehicles and automated driving and will jointly develop products and solutions in aspects from ADAS to automated driving functions that fulfil L1 to L3 of automated driving requirements, in order to accelerate the R&D and application development of domestic intelligent vehicles.

In addition, the Group joined AUTomotive Open System Architecture ("**AUTOSAR**"), an internationally renowned automotive industrial chain organisation, as a Premier Partner and took part in the technical working group within AUTOSAR in 2020. In the future, the Group will focus on development of applications meeting AUTOSAR requirements for the electrification and development of intelligent automotive vehicles to serve the market.

The Group's new R&D Testing and Validation Centre in Shanghai has already started operation. The Centre will strengthen the Group's delivery capabilities to facilitate customers' mass production in addition to testing functions. This will further solidify the implementation of the Group's strategy and deepen its ability to support its customers and market penetration.

In order to further adopt its principle of "staying close to customers with multi-location R&D facilities", the Group has set up an office with R&D facility equipped in Jinan, which mainly provides technical supports to the industrial business customers. During the Year, the Group started its operations in Munich, Germany, which aims to facilitate in-depth technology exchanges and strengthen cooperation between the Group and world-leading R&D organisations and automotive electronics enterprises in Europe. The Group will continue to conduct site selection in response to customers' needs and set up offices at appropriate locations so as to provide professional services in a timely manner, and will continue to actively explore suitable business opportunities in various markets.

Operations

Under the COVID-19 epidemic and adverse market condition, the Group continued to improve its operation efficiency in terms of optimising process improvements and areas of risk management. This active management process on an ongoing basis has not only ensured safety and safeguard employee health aspects, but has also further improved the operation efficiency and manage risks for the Group. During the Year, the Group for example had recorded better inventory management and improved its cash flows and working capital for the Group, offsetting the adverse effects brought about by the pandemics and market challenges, contributing to a similar full year net margin compared to last year.

Outlook

Despite that the year of 2020 was full of challenges, the Group achieved stable and healthy development of its overall business supported by its leading technology and market position, whereas automotive electronics business outperformed the market and recorded satisfactory growth, highlighting the Group's unique strengths in the automotive market.

The "Development Plan of New Energy Vehicle Industry (2021-2035) (《新能源汽車產業發展規劃 (2021-2035)》)" issued by the State Council of the PRC states that pure electric vehicles will become a mainstream among new vehicle sales by 2035. Also, the broad market development trends such as the adoption of New Energy Electric Vehicle (EV) in all public sectors, the commercialisation of fuel cell vehicles (FCV), as well as large-scale adoption of high-level automate-drived vehicles are closely related to NEV and ADAS areas in which the Group places emphasis on R&D in recent years. Therefore, the Group is fully confident towards the long-term development of relevant markets. The industrial business will also be benefitted from the continuous rise in the market demand for cloud servers and data centres, bringing ample opportunities to the Group.

In the area of NEV, the Group continued to enter into a number of joint projects with multiple renowned OEMs in 2020, laying a sound foundation for the Group's results for the upcoming years. In the meantime, the Group expanded its new customer base and already launched business cooperation with a number of fast-growing electric car start-ups.

The Group has been placing emphasis on the R&D of ADAS solutions since 2016. The segment currently covers various areas including electric vehicles, fuel cell vehicles and commercial vehicles, and will gradually enter into mass production from 2022 to 2023.

Leveraging its years of experience accumulated in the automotive electronics industry, the Group possesses strong capabilities in the establishment of software platforms as well as testing and verification, enabling the Group to consolidate its technology advantage and market position in the commercialisation process of automated driving.

For the Industrial Solutions segment, 2021 will become the year of mass production for new generation of major CPU platforms, which is expected to drive the market demand for functional improvement and server upgrade. In the long run, the impact of COVID-19 epidemic has changed living and working habits of the general public, and consequently the Group believes that demand for cloud servers and data centres from society will continue to grow, which in turn made this segment one of its long-term growth drivers. In technological aspect, the Group's industrial solutions complement relevant automotive business segments.

Looking ahead, the Group believes that with the intelligent development of automotive vehicles, increasing popularity of ADAS and the rising market demand in data centres and cloud servers driven by technological development, there will be considerable development opportunities in every business area of the Group. With years of industry experience, leading position in the industry and continuous substantial investment in R&D to strengthen its technological advantages, the Group is confident to achieve long-term sustainable growth and generate satisfactory returns for the shareholders of the Company (the "**Shareholders**").

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2020, total revenue amounted to RMB1,993.2 million (31 December 2019: RMB2,309.3 million). The decrease was mainly due to adjustment in revenue of the NEV business, which was mainly attributable to the declined sales of major domestic brand customers as well as a shortage of semiconductors in the second half of the Year.

The following table sets out the Group's revenue breakdown by product category during the indicated years:

	31 December 2020 *RMB'000*	31 December 2019 *RMB'000*	*Change*
New Energy	**467,183**	1,011,828	-54%
Body Control	**421,936**	318,102	33%
Safety	**490,539**	373,747	31%
Powertrain	**244,037**	230,058	6%
Industrial	**302,974**	310,845	-3%
Rendering of Services & Others	**66,521**	64,719	3%
Total	**1,993,190**	2,309,299	-14%

Gross Profit and Gross Profit Margin

For the year ended 31 December 2020, the Group's gross profit decreased by 23% to RMB358.2 million compared to the year before. Due to adverse market conditions, the gross profit margin decreased slightly to 18.0%.

Other Income and Gains

The Group's other income and gains mainly included foreign exchange gains, bank interest income, government grants and others. For the year ended 31 December 2020, other income and gains increased by 113% to RMB49.0 million, mainly due to the gains on exchange from the appreciation of RMB.

Sales and Distribution Expenses

Sales and distribution expenses mainly consist of salaries, benefits and equity-settled share option expense for staff, transportation and insurance costs, maintenance and repair expenses, travelling and business entertainment expenses, marketing expenses, and administrative depreciation related costs. During the Year, the Group's sales and distribution expenses amounted to RMB68.3 million, similar to 2019.

Administrative Expenses

Administrative expenses mainly consist of (a) R&D expenses; and (b) other administration expenses including salaries, benefits and equity-settled share option expense for the management, administrative and financial personnel, administrative costs, depreciation expenses relating to property, plant and equipment used for administrative purposes, amortisation expenses for the management information systems, other taxes and levies.

During the Year, administrative expenses amounted to RMB218.3 million, representing a decrease of 9% as compared to 2019. Among which, (a) R&D expenses amounted to RMB133.6 million, accounting for 6.7% of sales revenue, which was similar to that of last year; and (b) other administrative expenses amounted to RMB84.7 million, representing a decrease of 4% as compared to 2019, which was mainly due to lower advisory fees, travelling and related expenses.

Other Expenses

During the Year, other expenses mainly consist of loss on disposal of items of property, plant and equipment and other expenses. These expenses amounted to RMB1.6 million in 2020, representing a decrease of 92% as compared to 2019, which was due to strong RMB in 2020 resulting in a change on foreign exchange from loss in 2019 to gain in 2020.

Finance Costs

During the Year, finance costs amounted to RMB19.9 million, representing a decrease of 43% as compared to 2019, which was mainly due to a corresponding decrease in short-term trade financing costs with falling business volume and improved business operation measures implemented.

Income Tax Expense

During the Year, income tax expense was RMB3.3 million, representing a decrease of 65% year-on-year, which was mainly attributable to lower income before tax and enjoyment of benefits from the favourable tax policy allowing additional tax deduction for R&D expenses.

Profit for the Year

The Group's profit for the Year decreased by 20% from RMB118.7 million for the year ended 31 December 2019 to RMB94.8 million for the year ended 31 December 2020 due to lower revenue and gross margin under the impact of the COVID-19 epidemic. Net profit margin was 4.8%, which was similar to last year.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group continued to maintain a satisfactory and healthy liquidity position. As at 31 December 2020, the Group had cash and cash equivalents of RMB388.3 million (31 December 2019: RMB497.3 million).

The Group recorded net current assets of RMB948.2 million (31 December 2019: RMB1,018.9 million). Capital expenditure for the Year was RMB68.5 million (31 December 2019: RMB116.4 million), which were mainly used for addition of R&D equipment and improvement of R&D infrastructures facilitating multi-location R&D supports and services to customers.

As at 31 December 2020, the gearing ratio of the Group was 19% (31 December 2019: 27%), which represents net debt divided by the total equity plus net debt. Net debt includes interest-bearing bank and other loans, trade payables, other payables and accruals, less cash and cash equivalents and pledged deposits.

As at 31 December 2020, the Group had outstanding bank loans amounting to RMB433.1 million (31 December 2019: RMB454.0 million).

As at 31 December 2020, the Group's time deposits amounted to RMB30.2 million (31 December 2019: RMB31.9 million) and none of the Group's buildings (31 December 2019: RMB0.5 million) were pledged to secure certain of the Group's bank loans. Saved as disclosed above, no other Group's assets were charged to any financial institutions.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 July 2018 with net proceeds received by the Company from the Global Offering (as defined in the prospectus of the Company dated 29 June 2018 (the "**Prospectus**")) amounted to HK$766.7 million (equivalent to RMB655.4 million), after deducting the underwriting fees, commissions and all related expenses (the "**Net Proceeds**").

As disclosed in the announcement of the Company dated 12 July 2019, having reassessed the funding needs for the enhancement of the Group's overall R&D infrastructure, the Board has resolved to amend the proposed use of part of the Net Proceeds originally allocated for the enhancement of the Group's R&D infrastructure to (i) investing in and acquiring testing and other equipment, and technology software to accelerate the Group's solution development cycle and thus increase exposure of the Group's solutions to customers; and (ii) investing in, acquiring and renovating properties for R&D purposes.

During the Year, the Net Proceeds have been used for the purpose consistent with the section headed "Future Plans and Use of Proceeds" as set out in the Prospectus and the announcement of the Company dated 12 July 2019.

Details of the planned applications of the Net Proceeds, original and revised allocation of the Net Proceeds, and the utilization of the Net Proceeds as at 31 December 2020 are set out below:

Use of proceeds	**Planned applications** *(RMB million)*	**Percentage of total Net Proceeds** *(%)*	**Actual usage up to 31 December 2020** *(RMB million)*	**Unutilized Net Proceeds as at 31 December 2020** *(RMB million)*	**Expected timeframe for utilizing the remaining unused Net Proceeds**
1. For the expansion of research and development capabilities	196.6	30	196.6	0	N/A
2. For the enhancement of research and development infrastructure	196.6	30	167.0	29.6	Expected to be fully utilized by end of 2021
3. For the acquisitions of research and development capabilities	196.6	30	30.5	166.1	Expected to be fully utilized by end of 2022
4. General working capital	65.6	10	65.6	0	N/A
Total	655.4	100	459.7	195.7	N/A

CAPITAL COMMITMENT

As at 31 December 2020, the Group had capital commitments contracted, but not provided for, amounting to RMB7.5 million (31 December 2019: RMB2.8 million).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Year, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures (31 December 2019: nil).

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any significant contingent liabilities (31 December 2019: nil).

FOREIGN EXCHANGE EXPOSURE

The Group primarily operates in the PRC with a mixed currency revenue source. It is therefore exposed to foreign currency risk arising from fluctuations in exchange rates between the RMB and other currencies in which it conducts its business. The Group is subject to foreign currency risk attributable to its bank balances, trade and other receivables and payables as well as bank loans that are denominated in currencies other than the RMB. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position. The Group also minimises loss caused by foreign exchange fluctuations through cost transfer by adjusting prices offered to customers and considers supplementing with foreign exchange forward contracts when necessary.

During the Year, the Group managed foreign currency exchange rate fluctuations by the aforesaid means to mitigate such exposure. The Group will closely monitor the change in foreign exchange rates to manage currency risks and consider necessary actions as required.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 921 employees (31 December 2019: 844 employees). The Group's labour costs (including salaries, bonuses, equity-settled share option expense, pension and welfare but excluding directors' and co-chief executives' remuneration) were RMB181.7 million, equivalent to 9.1% of the Group's revenue for the Year (2019: RMB195.2 million).

The Group provides attractive salary packages, including competitive basic salary plus annual performance bonus, as well as arranging on-going special training to employees to facilitate their promotion within the organisation and enhance their loyalty to the Company. The Group's employees are subject to regular work performance appraisal to evaluate their promotion prospects and salary. The latter is decided with reference to market practice and the performance, qualifications and experience of the individual employee as well as the results of the Group.

As at 31 December 2020, the Group had a total of 31,977,600 outstanding share options granted to eligible employees under the share option scheme adopted on 22 June 2018, to enhance attractiveness in compensation as well as motivation for employee performance. For details, please refer to the announcements of the Company dated 21 January 2019 and 30 September 2020, respectively.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of its Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions of the Corporate Governance code ("**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the Year, except for a deviation from the code provision A.2.1 of the CG Code that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Mr. Luk Wing Ming is our Chairman and co – CEO responsible for strategic development and business operations. Our Board believes that this arrangement will improve the efficiency of our decision making and execution process. Further, the Group has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, our Board considers that the deviation from the code provision A.2.1 of the CG Code is appropriate in the circumstance of the Group.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted written guidelines (the "**Written Guidelines**") on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code for securities transactions by the Directors.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines throughout the Year to the date of this announcement. No incident of non-compliance of the Written Guidelines by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of the subsidiaries during the Year.

REVIEW OF ANNUAL RESULTS

The Audit Committee comprises all the three independent non-executive Directors, namely Mr. Tsui Yung Kwok, Mr. Jiang Yongwei and Mr. Yu Hong. The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group, the annual results and the consolidated financial statements for the year ended 31 December 2020. The Audit Committee considered that the annual results are in compliance with all applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

ANNUAL GENERAL MEETING

The 2021 Annual General Meeting ("**2021 AGM**") will be held on Wednesday, 26 May 2021. A notice convening the 2021 AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK3.2 cents per share for the year ended 31 December 2020 (2019: HK3.8 cents) to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 10 June 2021. Subject to the approval by the Shareholders at the 2021 AGM to be held on Wednesday, 26 May 2021, the proposed final dividend is expected to be paid on or about Friday, 2 July 2021.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed during the following periods and during these periods, no transfer of shares of the Company will be registered:

(a) For determining the entitlement to attend and vote at the 2021 AGM

For determining the entitlement to attend and vote at the 2021 AGM, the register of members of the Company will be closed from Friday, 21 May 2021 to Wednesday, 26 May 2021, both dates inclusive, during which period no transfer of shares of the Company will be registered.

To ensure that Shareholders are entitled to attend and vote at the 2021 AGM, Shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 20 May 2021.

(b) For determining the entitlement to the proposed final dividend

For determining the entitlement to the proposed final dividend subject to the approval by Shareholders at the 2021 AGM, the register of members of the Company will be closed from Friday, 4 June 2021 to Thursday, 10 June 2021, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be qualified for the proposed final dividend for the year ended 31 December 2020, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 3 June 2021.

EVENT AFTER REPORTING PERIOD

Placing of new shares of the Company (the "Placing")

On 26 January 2021, the Company and BNP Paribas Securities (Asia) Limited (the "**Placing Agent**") entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best efforts basis, in aggregate of up to 45,000,000 new shares of the Company to be allotted and issued pursuant to the terms and conditions of the Placing Agreement (the "**Placing Shares**").

On 3 February 2021, the condition precedent set out in the Placing Agreement had been fulfilled, and completion of the Placing took place on the same day in accordance with the terms and conditions of the Placing Agreement. An aggregate of 45,000,000 Placing Shares have been successfully placed by the Placing Agent and were allotted and issued to not fewer than six placees at the Placing Price of HK$6.82 per share pursuant to the terms and conditions of the Placing Agreement. The net proceeds from the Placing (after deduction of commission and other expenses of the Placing) amount to approximately HK$302.75 million.

Details of the Placing are set out in the announcements of the Company dated 26 January 2021 and 3 February 2021, respectively.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of the total issued capital of an issuer must be held by the public at any time. Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as being held by public.

PUBLICATION OF ANNUAL RESULT AND ANNUAL REPORT

The results announcement is required to be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.intron-tech.com), respectively. The annual report of the Company for the Year will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
REVENUE	*4*	**1,993,190**	2,309,299
Cost of sales		**(1,634,944)**	(1,843,174)
Gross profit		**358,246**	466,125
Other income and gains	*4*	**49,022**	23,068
Selling and distribution expenses		**(68,318)**	(66,679)
Administrative expenses		**(218,307)**	(239,844)
Other expenses		**(1,551)**	(18,514)
Finance costs		**(19,948)**	(34,999)
Share of loss of an associate		**(1,037)**	(974)
PROFIT BEFORE TAX	*5*	**98,107**	128,183
Income tax expense	*6*	**(3,307)**	(9,469)
PROFIT FOR THE YEAR		**94,800**	118,714
Attributable to:			
Owners of the parent		**94,800**	118,714
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	*8*	**RMB9.15 cents**	RMB11.46 cents
Diluted	*8*	**RMB9.15 cents**	RMB11.41 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 *RMB'000*	2019 *RMB'000*
PROFIT FOR THE YEAR	**94,800**	118,714
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation	**(8,231)**	(145)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(8,231)**	(145)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation	**(3,665)**	14,740
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(3,665)**	14,740
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(11,896)**	14,595
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**82,904**	133,309
Attributable to:		
Owners of the parent	**82,904**	133,309

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	**2020** **RMB'000**	2019 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**154,128**	126,624
Right-of-use assets		**22,940**	29,559
Other intangible assets		**125,913**	51,170
Investment in an associate		**7,989**	9,026
Financial assets at fair value through profit or loss		**15,000**	–
Equity investments designated at fair value through other comprehensive income		**995**	–
Deferred tax assets		**23,658**	15,781
Advance payments for property, plant and equipment		**8,904**	5,617
Total non-current assets		**359,527**	237,777
CURRENT ASSETS			
Inventories		**447,456**	617,074
Trade and notes receivables	*9*	**782,948**	787,056
Contract assets		**1,052**	–
Prepayments, other receivables and other assets		**39,586**	99,005
Financial assets at fair value through profit or loss		**–**	500
Pledged deposits		**35,548**	33,896
Cash and cash equivalents		**388,261**	497,331
Total current assets		**1,694,851**	2,034,862
CURRENT LIABILITIES			
Trade and notes payables	*10*	**74,487**	170,035
Other payables and accruals		**221,310**	360,207
Derivative financial instruments		**–**	262
Interest-bearing bank and other loans		**433,075**	453,960
Lease liabilities		**11,807**	14,173
Tax payable		**5,811**	15,884
Government grants		**152**	1,456
Total current liabilities		**746,642**	1,015,977
NET CURRENT ASSETS		**948,209**	1,018,885
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,307,736**	1,256,662

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ***(Continued)***
31 December 2020

	Note	**2020** **RMB'000**	2019 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities		**11,894**	16,012
Government grants		**3,930**	802
Total non-current liabilities		**15,824**	16,814
Net assets		**1,291,912**	1,239,848
EQUITY			
Equity attributable to owners of the parent			
Share capital	*11*	**8,816**	8,816
Reserves		**1,283,096**	1,231,032
Total equity		**1,291,912**	1,239,848

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, equity investments and derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Prior to 1 January 2020, the functional currency of Intron Technology (China) Limited ("**Intron HK**"), a direct wholly-owned subsidiary of the Company, is US$. It has been changed to RMB since 1 January 2020 as it is more reflective of the underlying transactions of Intron HK. The change in functional currency was applied prospectively from the date of change in accordance with HKAS 21 *The Effects of Changes in Foreign Exchange Rates*.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions (early adopted)*
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "**Conceptual Framework**") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

(b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("**RFR**"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

(d) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The amendments did not have any significant impact on the financial position and performance of the Group.

(e) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	2020	2019
	RMB'000	*RMB'000*
Hong Kong	**55,661**	42,733
Mainland China	**1,927,712**	2,254,415
Other countries/regions	**9,817**	12,151
	1,993,190	2,309,299

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2020	2019
	RMB'000	*RMB'000*
Hong Kong	**16,127**	13,609
Mainland China	**318,992**	207,615
Other countries/regions	**750**	772
	335,869	221,996

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	2020	2019
	RMB'000	*RMB'000*
Customer 1	**203,579**	260,392
Customer 2	**N/A***	278,075
Customer 3	**N/A***	267,084

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue for the years.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,993,190**	2,309,299

Revenue from contracts with customers

(i) Disaggregation of revenue

	2020	2019
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
– Sale of products	**1,958,902**	2,295,996
– Rendering of consulting services	**34,288**	13,303
	1,993,190	2,309,299

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2020	2019
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	**7,052**	3,329
Consulting services	**6,752**	2,231
	13,804	5,560

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Consulting services

The performance obligation is satisfied at the point in time when services are rendered and short-term advances are normally required before rendering the services. Consulting service contracts are for periods of one year or more and are billed based on the time incurred.

The amounts of transaction price allocated to the remaining performance obligations of sale of products and consulting services (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2020	2019
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue		
Within one year	**1,209,501**	925,639

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2020	2019
	RMB'000	*RMB'000*
Other income		
Government grants *(note a)*	**14,829**	11,537
Bank interest income	**3,981**	8,344
Investment income from financial assets at fair value through profit or loss	**5**	17
Commission income	**1,401**	2,068
Foreign exchange gains, net	**28,088**	–
Others	**3**	219
	48,307	22,185
Gains		
Fair value gain, net:		
Derivative instruments – transactions not qualifying as hedges	**715**	659
Gain on disposal of items of property, plant and equipment	**–**	224
	715	883
	49,022	23,068

Note:

(a) The amount represents grants received by the subsidiaries of the Company from the local government where they reside. There are no unfulfilled conditions and other contingencies relating to these grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2020	2019
	RMB'000	*RMB'000*
Cost of inventories sold	**1,621,900**	1,841,340
Cost of services provided	**13,044**	1,834
Depreciation of property, plant and equipment	**24,374**	17,282
Depreciation of right-of-use assets	**16,208**	14,665
Amortisation of patents and software*	**6,415**	5,566
Research and development costs:		
Deferred expenditure amortised*	**2,408**	–
Current year expenditure	**131,221**	151,927
	133,629	151,927
Lease payments not included in the measurement of lease liabilities	**6,898**	7,363
Auditors' remuneration	**2,422**	2,394
Employee benefit expense (excluding directors' and co-chief executives' remuneration):		
Wages and salaries	**160,401**	156,448
Equity-settled share option expense	**4,534**	12,321
Pension scheme contributions	**13,260**	23,443
Staff welfare expenses	**3,458**	2,941
	181,653	195,153
Foreign exchange (gain)/losses, net	**(28,088)**	17,246
Recognition of impairment of trade receivables	**5,764**	1,923
Write-down of inventories to net realisable value**	**8,410**	6,331
Fair value gain, net:		
Derivative instruments – transactions not qualifying as hedges	**(715)**	(659)
Investment income from financial assets at fair value through profit or loss	**(5)**	(17)
Bank interest income	**(3,981)**	(8,344)
Government grants	**(14,829)**	(11,537)
Loss/(gains) on disposal of items of property, plant and equipment	**314**	(224)

* *The amortisation of patents and software and the amortisation of deferred development costs for the year are included in "Administrative expenses" in the consolidated statement of profit or loss.*

** *The write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss.*

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax in the Cayman Islands. The Company has registered with the Company Registry in Hong Kong on 22 December 2017 and derived an interest income during 2019 and 2020. Since the provision of credit of the loan was in Hong Kong, the interest income received is subject to Hong Kong Profits Tax.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2019: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2019: 8.25%) and the remaining assessable profits are taxed at 16.5% (2019: 16.5%).

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Shanghai Intron Electronics Company Limited and Shanghai G-Pulse Electronics Technology Company Limited are qualified as High and New Technology Enterprises and were subject to a preferential income tax rate of 15% (2019: 15%) during the year. Guangzhou Intron Electronics Technology Company Limited, Beijing Maichuang Zhiheng Renewable Energy Technology Company Limited,, Intron Intelligent Technology (Shanghai) Company Limited, Wuxi Maxdone Electronics Technology Company Limited and Shenzhen Intron Eelectronics Company Limited are qualified as small and micro enterprises and were subject to a preferential tax rate of 10% during the year.

	2020 ***RMB'000***	2019 *RMB'000*
Current – Mainland China		
Charge for the year	**199**	191
Current – Hong Kong		
Charge for the year	**10,985**	15,454
Deferred tax	**(7,877)**	(6,176)
Total tax charge for the year	**3,307**	9,469

A reconciliation of the tax expense applicable to profit before tax at the statutory rate in Mainland China to the tax expense at the effective tax rate is as follows:

	2020	2019
	RMB'000	*RMB'000*
Profit before tax	**98,107**	128,183
Tax at the statutory income tax rate of 25%	**24,527**	32,046
Effect of tax rate differences in other jurisdictions	**(1,717)**	(8,383)
Preferential income tax rates applicable to certain subsidiaries	**1,883**	2,066
Additional deduction allowance for research and development costs	**(20,436)**	(20,924)
Loss attributable to an associate	**259**	243
Expenses not deductible for tax	**1,267**	1,066
Income not subject to tax	**(5,537)**	(1,261)
Tax losses not recognised	**5,203**	4,616
Recognition of tax losses from previous years	**(2,142)**	–
Tax charge at the Group's effective rate	**3,307**	9,469

7. DIVIDENDS

	2020	2019
	RMB'000	*RMB'000*
Proposal final – HK3.2 cents (2019: HK3.8 cents) per ordinary share	**27,912**	36,194

The proposed final dividend of HK$33,151,000 (equivalent to RMB27,912,000) for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,035,975,000 (2019: 1,035,975,000) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares under the share option scheme.

The calculation of the basic and diluted earnings per share is based on:

	2020	2019
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**94,800**	118,714

	Number of shares	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year	**1,035,975,000**	1,035,975,000
Effect of dilution – weighted average number of ordinary shares:		
Share options	**18,834**	4,500,567
	1,035,993,834	1,040,475,567

9. TRADE AND NOTES RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**681,725**	563,045
Notes receivable	**109,979**	227,058
	791,704	790,103
Impairment	**(8,756)**	(3,047)
	782,948	787,056

The Group's trading terms with its customers are mainly on credit. The credit period is generally within three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB18,668,000 as at 31 December 2020 (2019: RMB35,374,000), which are repayable on credit terms similar to those offered to the other customers of the Group.

As at 31 December 2020, none of the Group's notes receivable was pledged to secure notes payable (2019: RMB100,000,000) (note 10).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Less than 3 months	**611,231**	491,720
3 to 6 months	**20,668**	28,275
6 to 12 months	**14,577**	14,588
1 to 2 years	**12,669**	24,810
2 to 3 years	**13,824**	605
	672,969	559,998

10. TRADE AND NOTES PAYABLES

	2020	2019
	RMB'000	*RMB'000*
Trade payables	**69,934**	99,823
Notes payable	**4,553**	70,212
	74,487	170,035

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Less than 3 months	**64,948**	96,988
3 to 6 months	**4,772**	2,428
6 to 12 months	**32**	306
1 to 2 years	**176**	74
Over 2 years	**6**	27
	69,934	99,823

None of the trade payables was due to a related party (2019: RMB802,000).

The trade payables are non-interest-bearing and are normally settled within three months.

As at 31 December 2020, none of the Group's notes payable was secured by the Group's notes receivable (2019: RMB100,000,000) (note 9).

11. SHARE CAPITAL

Shares

	2020	2019
	HK$'000	*HK$'000*
Authorised:		
2,400,000,000 (2019: 2,400,000,000) ordinary shares of HK$0.01 each	**24,000**	24,000

	2020	2019
	RMB'000	*RMB'000*
Issued and fully paid:		
1,035,975,000 (2019: 1,035,975,000) ordinary shares of HK$0.01 each	**8,816**	8,816

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital**
		RMB'000
At 31 December 2019, 1 January 2020 and at 31 December 2020	1,035,975,000	8,816

12. EVENTS AFTER THE REPORTING PERIOD

On 3 February 2021, an aggregate of 45,000,000 placing shares have been successfully allotted and issued to not fewer than six independent placees at the placing price of HK$6.82 per share. The net proceeds from the placing amount to approximately HK$302.75 million. Immediately after completion of the placing, the shares held by the placees account for approximately 4.15% of issued share capital of the Company.

By order of the Board
INTRON TECHNOLOGY HOLDINGS LIMITED
LUK WING MING
Chairman and executive Director

Hong Kong, 29 March 2021

As at the date of this announcement, the executive Directors are Mr. Luk Wing Ming, Mr. Chan Cheung Ngai, Mr. Chan Ming and Mr. Ng Ming Chee; and the independent non-executive Directors are Mr. Jiang Yongwei, Mr. Yu Hong and Mr. Tsui Yung Kwok.