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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 2024

FINANCIAL HIGHLIGHTS

(RMB in thousands, unless specified)

	31 December 2024	31 December 2023	Year-on-year Percentage Change
Financial Figures			
Revenue Breakdown:			
New Energy	**3,462,045**	2,787,590	24%
Body Control	**1,035,287**	934,407	11%
Safety	**859,658**	844,675	2%
Powertrain	**398,634**	446,392	-11%
Automated & Connected Vehicles	**513,941**	404,657	27%
Cloud Server	**212,315**	201,848	5%
Rendering of Services & Others	**211,238**	182,761	16%
Total Revenue	**6,693,118**	5,802,330	15%
Gross Profit	**968,592**	1,083,617	-11%
Net profit	**204,209**	312,549	-35%
Profit attributable to owners of the parent	**208,633**	317,396	-34%
Earnings per Share (RMB cents)			
– Basic	**19.18**	29.19	-34%
– Diluted	**19.18**	28.94	-34%
Proposed Final Dividend per Share *(HK cents)*	**6.3**	9.8	-36%
Financial Ratio (% of Total Revenue)			% point of change
Gross Profit	**14.5%**	18.7%	-4.2
Research and Development Costs	**7.4%**	9.0%	-1.6
Net Profit	**3.1%**	5.4%	-2.3

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Intron Technology Holdings Limited (the "**Company**" or "**Intron Technology**") is pleased to announce the audited annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**") together with selected explanatory notes and the relevant comparative figures for 2023.

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

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

In 2024, China's new energy vehicle market continued to grow at a rapid pace, and the old-for-new policy had a significant impact, driving the increasing demand for new energy vehicles. According to data published by the China Association of Automobile Manufacturers ("**CAAM**"), in 2024, the total sales volume of automobiles in the PRC increased by 4.5% year-on-year to 31.436 million units, and automobile exports maintained a relatively rapid growth, with 5.859 million vehicles exported throughout the year, an increase of 19.3% year-on-year. This showed that Chinese automobile enterprises continued to see results by entering overseas markets, driving the growth of China's overall automobile production and sales volume. In 2024, the sales volume of new energy vehicles reached 12.866 million units, representing a year-on-year increase of 35.5%, and the market share increased to 40.9%. For the year ended 31 December 2024 (the "**year under review**"), the Group recorded steady growth in performance, with an increase in revenue of 15%, of which revenue from the new energy segment increased by 24% year-on-year and revenue from the automated & connected vehicles segment increased by 27% year-on-year.

As a leading automotive electronics solution provider in the PRC, the Group has distinguished itself in the industry with its excellent R&D capabilities, advanced semiconductor application technologies and strong industrialization capabilities. Leveraging its strong capabilities in new energy automotive R&D and outstanding technology solutions for automotive semiconductor applications, the Group has helped automotive original equipment manufacturers (OEMs) to successfully implement cost-effective mass production plans and significantly increase their market penetration. The new energy segment and intelligent driving business continued to be the main drivers of the Group's revenue and earnings growth, empowering the Group's business to outperform the overall industry level.

With the rapid development of new energy vehicles, the demand for high-performance automotive chips is booming. Automotive manufacturers, technology enterprises and other firms are ramping up their R&D efforts to enter the automotive chip sector. With more than 20 years of extensive experience in the field of automotive electronics, electrification and intelligence, the Group has maintained solid and close long-term cooperative relationships with the world's leading semiconductor suppliers. In addition, relying on its excellent R&D capabilities and complete product offerings, it has created value for both upstream and downstream sectors, empowered domestic semiconductors and accelerated their application and development in the domestic automotive market. The Group established in-depth cooperation with customers and semiconductor manufacturers, and provided more diversified and customized solutions to meet customers' needs, which will be beneficial to the Group's continuous and stable development in the long term.

Research and development (R&D) is an important pillar for the Group's long-term business growth. Through R&D, we have been able to help our partners to better harness their advantages and enhance industrialization effectiveness in terms of planning, design and quality, thus highlighting the Group's unique business model and advantages. During the Year, under the asset-light and research-focused business model, the Group continued its efforts in R&D investment and maintained an outstanding team of scientific and technological talents to empower its development. Its technological achievements have been highly recognized by domestic and foreign customers and industry peers, establishing its technical leadership position with promising prospects for future development and trend.

BUSINESS REVIEW

In 2024, the pace of transformation and market competition in the automotive industry intensified. With more than 20 years of experience in automotive electronics, electrification and intelligence and in-depth insights into market trends, the Group has been able to keep pace with the times with its excellent R&D capabilities, leading the industry with its solutions and technologies and establishing a strong market position. The Group's sales revenue is classified as follows:

New Energy – Core solutions related to electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel-cell vehicles, including solutions related to core electric powertrain control systems and thermal management systems

Body Control – Electronic solutions for body control systems

Safety – Solutions related to safety systems

Powertrain – Solutions related to powertrain systems

Automated & Connected Vehicles – Core solutions related to intelligent driving and connected automotive, such as advanced driver-assistance systems/automated driving systems ("**ADAS/AD**")

Cloud Server – Electronic solutions related to power management of data centers/cloud servers

Rendering of Services & Others – R&D services and other income

In 2024, the Group's overall results recorded stable performance, in line with the market. Total revenue increased by approximately 15% year-on-year to RMB6.7 billion, mainly driven by the growth of the new energy vehicles, automated & connected vehicle and safety systems segments. In particular, revenue from new energy vehicles increased by more than 24% during the year under review. The new energy vehicle segment's share of the Company's revenue increased from 48% to 52%. Revenue from the body control system and safety system segments recorded steady year-on-year growth of 11% and 2%, respectively, and powertrain system recorded a decrease of 11%, accounting for 15%, 13% and 6% of total revenue, respectively. Revenue from the automated & connected vehicle segment recorded a significant increase of 27%, accounting for 8% of total revenue. With the gradual infiltration of artificial intelligence (AI) into daily life, the demand for AI servers continued to grow, resulting in the cloud server segment recording a year-on-year increase of 5% in revenue, accounting for 3% of the Group's total revenue, which was similar to the proportion of revenue from rendering of services, which recorded a year-on-year increase of 16%.

During the year under review, the Group's gross profit was RMB968.6 million, and the gross profit margin was 14.5%, representing a decrease of 4.2 percentage points as compared with the previous year. This was mainly attributable to the continued price competition among automotive OEMs, which led to continued pressure on the gross profit margin of the entire industry. As a result, the Group continued to expand its market share and achieve economies of scale by increasing production volume, thereby effectively controlling costs and mitigating the pressure on the gross profit margin. At the same time, the Group maintained its market leadership and consolidated its technological edge through continuous R&D to provide customers with more diversified and customized solutions. The Group maintained its total R&D expenditure at 7.4% of total revenue, amounting to RMB493.1 million.

In terms of financial costs, finance costs recorded an increase of 11% during the year under review compared with the previous year, which was mainly due to the increase in loan amount in line with the growth and expansion needs of our business. To this end, the Group adjusted its financial structure and increased the proportion of RMB loans. The proportion of U.S. dollar loans decreased to approximately 21% from approximately 32% in the previous year in order to better control financial costs.

During the year under review, OEMs and their Tier 1 suppliers were our key end customers, including China's top 10 new energy passenger vehicle brands. With the accelerated export of domestic new energy vehicles, the Group has secured a number of new overseas projects, many of which are from leading enterprises. By assisting these overseas projects to refine their product solutions, the Group's technological expertise has gained recognition in the international market. Profit attributable to shareholders for the year under review amounted to RMB208.6 million, compared with RMB317.4 million in the previous year, and the net profit margin was 3.1%.

New Energy Vehicles Core Solutions

Benefiting from the continuous growth and penetration of the overall new energy market, the Group's new energy revenue segment continued to expand in 2024, with growth in products related to the sub-segments of electronic control, battery management systems, on-board charging, motor controllers, PTC, etc. The steady influx of new projects unlocked further opportunities for business expansion. As of 31 December 2024, revenue from this business segment increased by 24% year-on-year to RMB3,462.0 million, accounting for 52% of total revenue.

The core "Motor Control Unit Power Brick" component developed by the Group has achieved industry-leading levels in key indicators such as power density, integration and reliability. The product has also achieved breakthroughs in power semiconductor application technology and control, and differentiated itself from traditional power module solutions in terms of process solutions with higher integration, which can help customers achieve better cost benefit from simplifying the system development process. The product has been delivered to customers for sample delivery and trial installation on a large scale since 2024, and has successfully completed the development of sample vehicles for several leading enterprises, helping OEMs to improve the power, range and safety of their products. The Group is expected to achieve rapid growth in both market penetration and vehicle installation rate in the next two to three years.

With increased competition and demand for system integration from vehicle manufacturers, traditional single solution providers are unable to meet their requirements, and the Group has become the preferred partner of more and more vehicle manufacturers due to its high quality deliveries on a large scale and increasing market penetration. The Group will continue to focus on enhancing its technological R&D capabilities and optimizing its product portfolio to meet vehicle manufacturers' demand for efficient and reliable solutions.

Body Control/Safety/Powertrain Solutions

During the year under review, the body control system business recorded a year-on-year growth of 11% to RMB1,035.3 million, accounting for 15% of total revenue. Among the solutions in this segment, domain controller application was the main growth driver. Safety system solutions maintained steady growth of 2% to RMB859.7 million, accounting for 13% of total revenue. Tire pressure products and electric steering were the main growth points. The Group is optimistic about future chassis applications.

Revenue from powertrain solutions declined by 11%, accounting for 6% of the Group's total revenue. As the penetration of new energy vehicles increases, demand for traditional powertrain systems is experiencing cyclical fluctuations, while demand for traditional electronic applications such as water pumps, oil pumps and cooling fans continues to grow. The electrification of commercial vehicles is accelerating significantly, and many leading domestic commercial vehicle enterprises have formulated clear development plans and expect to significantly increase the proportion of new energy vehicles, especially hybrid and pure electric models, in the next three to five years. The Group believes that with continuous technological advancement and policy support, the electrification of commercial vehicles will further promote the transformation and upgrading of the entire industry.

Automated & Connected Vehicles Solutions

During the year under review, revenue from the automated & connected vehicles business amounted to RMB513.9 million, representing an increase of 27% over the same period last year, and accounting for 8% of total revenue. As OEMs continued to increase their installation rates, the automated & connected vehicles segment continued to grow at a high rate. Technological advancement, policy support and consumer demand were the main driving forces. With the continuous improvement of the ecosystem, automated & connected vehicle technology is expected to achieve large-scale commercialization in the next few years and become an important direction of development.

During the year under review, the Group developed an intelligent camera monitor system (CMS) solution as part of its R&D of cockpit solutions. Developed in compliance with China's updated GB15084-2022 "Performance and Installation Requirements for Indirect Vision Devices of Motor Vehicles" standard, this solution replaces conventional side mirrors with an integrated "external HD camera + in-vehicle display" configuration. It fundamentally addresses legacy pain points such as excessive aerodynamic drag, wide blind spots, and compromised nighttime and inclement weather visibility. The overall solution features an average latency of less than 40 ms and a power-on startup time of less than two seconds, performance indicators that are much better than the national standard and the industry average.

In addition, the Group has actively invested in and deepened its cooperation with Horizon Robotics, and developed relevant productized solutions powered by the Horizon Robotics' Journey®6 processor. In addition, the Group has released a front fusion perception solution based on the Horizon Robotics' Journey®6 platform, which adopts advanced BEV + Transformer technology and front fusion methodology to enhance the perception capability of intelligent driving. With its 4D millimeter-wave radar, camera system and sensor fusion algorithms, the Group is committed to creating a high-performance, low-cost and universally adaptable perception fusion system for intelligent driving. The Group is Horizon Robotics' primary partner in this domain thanks to its controller hardware and software product development capabilities and algorithm development capabilities.

During the year under review, through cooperation with many leading domestic semiconductor companies, including Horizon Robotics, the Group continued to launch a portfolio of domestic ADAS solutions to meet the growing demand for domestication and localization in the domestic automotive market. In terms of overseas business, the Group has successfully established long-term relationship with leading international component supplier for cooperation on an intelligent driving development project, and has not only provided services for domestic joint venture vehicle models, but has also begun to provide services for overseas model platform projects. In addition, the Group has also reached preliminary agreement with some other internationally renowned Japanese Tier 1 suppliers for subsequent technical business cooperation, which will strongly support future export and globalization.

The Group will continue to strive for steady development and further deepen our cooperation with leading AI chip manufacturers and automotive security processor manufacturers, including Horizon, aiming to promote the application and innovation of domestic technologies. We believe that with the rapid development of domestic technologies, the level of vehicle intelligence will be greatly enhanced and more high-tech talents will be attracted to enter the industry, injecting new vitality into the field of intelligence. In addition, the gradual application of large models and end-to-end tailoring technology will improve the performance and user experience of in-vehicle systems and smart cockpits. As the validation of embedded developments matures, we are confident that we will occupy a more favorable position in future market competition and promote the sustainable progress and development of the entire industry.

Cloud Server-Related Solutions

2024 was a year of market recovery, and the Group's revenue from cloud server-related electronics solutions increased by 5% to RMB212.3 million, primarily driven by the increase in AI server-related revenue. While the demand for general purpose servers is stabilizing, AI is gaining market share. Looking ahead to 2025, AI will continue to dominate the market, and the AI server-related business is expected to record at least double-digit growth. Moreover, in addition to power supply solutions for core AI components, demand for high-speed signal integrity products is also expected to increase.

Research and Development and Group Development

Research and development is at the core of the Group's development strategy. With the rapid development of the global automobile industry towards electrification, intelligence and connectivity, the Group's technological advantages have become increasingly prominent and will continue to help the Group further consolidate its leading position in the market, expand market share and drive business growth. In 2024, the Group continued to proactively optimize and enhance its R&D capabilities to maintain its competitive edge. By proactively optimizing the R&D team and strengthening project management, R&D expenses for the year decreased by 5.2% year-on-year to RMB493.1 million, accounting for approximately 7.4% of the Group's revenue. As at 31 December 2024, the Group had a total of 921 full-time R&D technicians, representing 70.4% of our entire workforce. During the same period, the Group had a total of 358 patents and 327 software copyrights, an increase of 90 and 110, respectively, over the same period last year.

In terms of supporting testing and validation for large-scale delivery, the R&D testing and certification center took over the Group's testing business in 2024 and received nearly 650 orders for testing and commissioning, demonstrating strong demand for R&D testing. In order to meet the testing needs of a wide range of electronic control products such as inverter bricks and domain controllers, etc., the R&D center continued to expand and optimize its testing capabilities during the year.

In 2024, our R&D testing capacity was further enhanced with the introduction of a new group pulse lightning surge immunity test system and the development of testing capabilities in compliance with standards such as IEC61000-4-4/5 and GB/T17626.4/5. Meanwhile, Pujiang Lab and Nantong Lab received several accreditations and upgraded qualifications:

- Pujiang Lab: Passed the extended audit by China National Accreditation Service for Conformity Assessment (CNAS) and is now capable of EMC testing, electrical performance testing, environmental reliability testing, mechanical stress testing and electric drive bench testing.

- Nantong Lab: The new site was accredited by CNAS for electrical performance testing and environmental reliability testing.

During the Year, the Group achieved results in the product design of all-in-one power domain controller, the localization construction of BMS product platform and the localization construction of MCU product platform, including a domain controller that integrates different functions of power domains such as MCU, HCU and TCU, which effectively reduces the cost of the product, makes it smaller and improves product competitiveness. Currently, there are many mass production projects under development for customers including FAW Hongqi and GAC Motor.

In addition, in 2024, the Group passed the OEM audit and completed the annual re-audit of the IATF 16949 and ISO 9001 quality management systems.

As an important part of the Company's overall R&D system, Nantong R&D base has a gross floor area of more than 13,000 square meters, with functions including design, R&D, testing and production of motor control unit power brick products. The base can be used for R&D, trial production, testing and verification of motor control unit power bricks for new energy vehicles, and started trial operation and was put into use in September 2023. In order to increase production capacity and further expand its functions, the second phase construction of the base will commence soon and is expected to be completed in 2026. The second phase construction will cover production, storage, office and other uses, as well as equipment upgrades and infrastructure improvements. In the future, Nantong base will achieve mass production capacity of power brick products, providing strong support for the sustainable development of the Group.

In terms of embodied intelligence, the Company has already established its presence in the field based on the Company's extensive technologies and industrialization experience in electrification and intelligence. In addition, the Company has accelerated solution implementation and international business expansion through its R&D center established in Hong Kong in 2023. At present, diversified research and development results have been achieved in multi-modal sensing, fused location positioning, joint module drives and controls, etc.

Outlook

With the dual impetus of policy support and technological advancement, China's new energy vehicle market is expected to maintain steady growth in sales volume and further increase market penetration in 2025. This will create a wide range of opportunities for Intron Technology's new energy vehicle core solutions business. Leveraging its strong foundation of customer relationship management, Intron Technology is expected to further expand its customer base and increase its market share in 2025. Meanwhile, with the large-scale delivery of our independently developed products, including "Motor Control Unit Power Brick", the added value and profitability of products will be improved. In the area of new energy thermal management, relying on our advantages accumulated in the domestic market, the Group is expected to accelerate the pace of overseas market expansion, which will further increase our business revenue. The Group will continue to focus on our core products such as motor controllers and domain controllers, step up investment in testing equipment, and further enhance the level of intelligent and digital testing to fully optimize testing capabilities and meet the Group's growing demand for product testing.

In the body control/safety/powertrain solutions segment, despite a decline in 2024 due to the impact of market restructuring following the easing of the chip shortage and fluctuations in the commercial vehicle market, demand for body electronics and safety systems will gradually increase thanks to the overall recovery of the automotive industry and the deepening of intelligent and electrified transformation. With its strengths in technology R&D, Intron Technology is poised to develop more competitive products and optimize its product structure to meet the demands of emerging markets, aiming to achieve a stable business recovery in 2025.

Automated & connected vehicles solutions are a notable source of business growth for Intron Technology. With the rise of automobile intelligence, the market demand for ADAS (advanced driver assistance system) and smart cockpits is increasing. By collaborating with a number of semiconductor partners, including Infineon and Horizon, we achieved promising results in developing relevant solutions in 2024. In 2025, as automated driving technology advances from L2 to a higher level, the Group is expected to secure more intelligent driving projects, particularly in the field of L2+ or above automated driving domain controllers, from automobile enterprises based on our technology accumulation and previous project experience. At the same time, given the growing market demand for high-level automated driving, this year the Company has launched an advanced automated driving domain control platform for L3 and above automated driving systems to further strengthen and enhance hardware and software security, platform security and functional security, and to further consolidate our position in the high-end market.

Intelligent vehicles, embodied intelligence and low-altitude aircraft are similar in technological logic, as they are all complex electronic systems with extremely high safety requirements and a high level of electrification and intelligence. With its industry-leading electrification and intelligent technology, mature industrialization experience and complete supply chain system, the Group has many inherent advantages in the industry chain and flexibility in business development areas, empowering our development in various areas with the advanced technology and outstanding services provided by our R&D platform.

In the realm of R&D, Intron Technology maintained a high proportion of R&D investment in 2024, and is expected to continue the "asset-light, research-focused-heavy" strategy in 2025. The continuous improvement of R&D facilities, such as the comprehensive testing and validation base in Nantong, will help elevate R&D efficiency and product quality. Meanwhile, through cooperation with universities and research institutes, we will attract and cultivate more R&D talents to ensure the supply of talent for technological innovation.

In the future, the Group expects to secure over 150 design wins for new mass production projects, covering the following areas and technologies:

- Chassis system
- Advanced driver assistance system (ADAS)
- Micro control unit (MCU)
- Battery management system (BMS)
- Thermal management technologies, including PTC heaters and actuators (pumps, fans, etc.)
- Fuel cell vehicle (FCV)
- Wireless charging system
- Electronic and electrical architecture (EEA)

Some of the projects and vehicle models will be developed specifically for export markets or to meet the needs of overseas customers in order to further support the Group's international business expansion.

Going forward, the Group will continue to invest in R&D to reinforce our leading position in the industry. While consolidating the domestic market, the Group will accelerate its international expansion and leverage its technological advantages to achieve long-term sustainable growth and deliver satisfactory returns to shareholders.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, total revenue increased by 15% year-on-year to RMB6,693.1 million (31 December 2023: RMB5,802.3 million) mainly due to the increases in the revenue from the majority of the motor business segments of the Group. The New Energy Vehicle business and Automated & Connected Vehicles segment performed particularly well and recorded continual strong growth.

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

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*	Change
New Energy	**3,462,045**	2,787,590	24%
Body Control	**1,035,287**	934,407	11%
Safety	**859,658**	844,675	2%
Powertrain	**398,634**	446,392	-11%
Automated & Connected Vehicles	**513,941**	404,657	27%
Cloud Server	**212,315**	201,848	5%
Rendering of Services & Others	**211,238**	182,761	16%
Total	**6,693,118**	5,802,330	15%

Gross Profit and Gross Profit Margin

For the year ended 31 December 2024, the Group's gross profit decreased by 11% to RMB968.6 million compared with the year before. The gross profit margin decreased from 18.7% for the year ended 31 December 2023 to 14.5% for the year ended 31 December 2024.

Other Income and Gains

The Group's other income and gains mainly included bank interest income, government grants, gains on disposal of financial assets at fair value through profit or loss, fair value gain on financial assets at fair value through profit or loss and others. For the year ended 31 December 2024, other income and gains decreased by 44% to RMB46.4 million, mainly due to the decrease in fair value gain on financial assets at fair value through profit or loss.

Selling and Distribution Expenses

Selling and distribution expenses mainly consist of salaries, benefits and equity-settled share option and award expenses for staff, travelling and business entertainment expenses, marketing expenses, and administrative depreciation related costs. During the Year, the Group's selling and distribution expenses amounted to RMB110.2 million, representing a decrease of 3% as compared with 2023. The decrease was mainly attributable to the cost control measures on expenses including sales and marketing expenses, travelling and business entertainment expenses.

Administrative Expenses

Administrative expenses mainly consist of (a) R&D expenses; and (b) other administration expenses including salaries, benefits and equity-settled share option and award expenses for the management, administrative and financial personnel, administrative costs, travelling expenses, 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 RMB561.4 million, representing a decrease of 6% as compared with 2023. In particular, (a) R&D expenses charged to administrative expenses amounting to RMB439.6 million, together with the amortisation of deferred development costs amounting to RMB53.5 million charged to cost of sales, the total R&D expenses amounted to RMB493.1 million accounting for 7.4% of revenue. The 5% decrease in R&D expenses as compared with 2023 was due to the cost and structural optimization on R&D; and (b) other administrative expenses amounted to RMB121.8 million, representing a decrease of 8% as compared with 2023, which was mainly due to cost control measures on travelling expenses, office and other related expenses.

Other Expenses

During the Year, other expenses mainly consist of foreign exchange differences and others. These expenses amounted to RMB55.6 million in 2024, which was at similar level as 2023.

Finance Costs

During the Year, finance costs, which mainly consist of interest on discounted notes receivable and bank borrowings, amounted to RMB110.8 million, representing an increase of 11% as compared with 2023, which was due to the increase in bank borrowings to support business development and ensure sufficient working capital to cope with potential market fluctuations.

Income Tax Credit

During the Year, income tax credit was RMB24.5 million, representing an increase of 136% year-on-year, which was mainly due to an increase of the recognition of deferred tax.

Profit for the Year

The Group's net profit for the Year decreased by 35% from RMB312.5 million for the year ended 31 December 2023 to RMB204.2 million for the year ended 31 December 2024 due to lower gross margin.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group continued to maintain a satisfactory and healthy liquidity position. As at 31 December 2024, the Group had total cash and cash equivalents of RMB916.2 million (31 December 2023: RMB517.0 million).

The Group recorded net current assets of RMB1,716.4 million (31 December 2023: RMB1,672.2 million). Capital expenditure for the Year was RMB80.2 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 2024, the gearing ratio of the Group was 50% (31 December 2023: 51%), which represents net debt divided by the equity attributable to owners of the parent plus net debt. Net debt includes interest-bearing bank and other loans, trade and notes payables, other payables and accruals, less cash and cash equivalents and pledged deposits.

As at 31 December 2024, the Group had outstanding bank loans amounting to RMB2,038.4 million (31 December 2023: RMB1,651.8 million).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company (the "**Share(s)**") 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 by investing in and acquiring testing and other equipment, and technology software to accelerate the Group's solutions development cycle and thus increase exposure of the Group's solutions to customers to enhancement of the Group's R&D infrastructure by (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 2024 are set out below:

Use of proceeds	Planned applications *(RMB million)*	Percentage of total Net Proceeds *(%)*	Unutilized Net Proceeds brought forward from 31 December 2023 *(RMB million)*	Proceeds utilized during the year ended 31 December 2024 *(RMB million)*	Actual usage up to 31 December 2024 *(RMB million)*	Unutilized Net Proceeds as at 31 December 2024 *(RMB million)*	Expected timeframe for utilizing the remaining unused Net Proceeds
1. For the expansion of R&D capabilities	196.6	30	0	0	196.6	0	N/A
2. For the enhancement of R&D infrastructure	196.6	30	0	0	196.6	0	N/A
3. For the acquisitions of R&D capabilities	196.6	30	57.1	5.1	144.6	52.0	Expected to be fully utilized by end of 2026*
4. General working capital	65.6	10	0	0	65.6	0	N/A
Total	655.4	100	57.1	5.1	603.4	52.0	

* As disclosed in the 2022 annual report of the Company, the expected timeframe for utilizing the remaining unused net proceeds was extended to the end of 2024 from the end of 2022 due to the COVID-19 pandemic which has created economic uncertainties and caused disruptions to a wide range of economic activities. As disclosed in the 2024 interim report, after considering the recent global and domestic economic environment and the associated uncertainty, the expected timeframe was extended to the end of 2025. The expected timeframe was further extended to the end of 2026, as more time is required to select and identify suitable potential investees.

CAPITAL COMMITMENT

As at 31 December 2024, the Group had capital commitments contracted, but not provided for, amounting to RMB7.2 million (31 December 2023: RMB6.0 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 2023: Nil).

PLEDGE OF ASSETS

As at 31 December 2024, certain of the Group's bank loans, letter of guarantee, letter of credit and notes payable were secured by the pledge of certain of the Group's deposits amounting to RMB165.5 million (2023: RMB144.7 million).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (31 December 2023: 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 2024, the Group had 1,308 employees (31 December 2023: 1,539 employees). The Group's labour costs (including salaries, bonuses and equity-settled share option and award expense, pension and welfare but excluding directors' and co-chief executives' remuneration) were RMB584.9 million, equivalent to 8.7% of the Group's revenue for the Year (2023: RMB597.7 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 2024, the Group had a total of 72,201,550 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, 30 September 2020, 18 May 2021, 25 November 2022 and 20 September 2023, respectively.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for its employees in Hong Kong. The Group recorded RMB359,000 forfeited contribution from the MPF Scheme for the year ended 31 December 2024 to reduce the existing level of contributions (for the year ended 31 December 2023: RMB52,000).

The Group's employees in the PRC participate in various defined contribution schemes managed by local government authorities, pursuant to which the Group pays a stipulated percentage of payroll costs as contributions to the schemes. The Group has no obligations to pay further contributions and no forfeited contributions were available to the Group to reduce the existing level of contributions.

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 C1 to 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 C.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. The 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 C.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 C3 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 ended 31 December 2024.

REVIEW OF ANNUAL RESULTS

The Audit Committee comprises all the three independent non-executive Directors, namely Mr. Tsui Yung Kwok, Mr. Jiang Yongwei and Ms. Han Shuting. 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 2024. 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.

SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2024, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The financial information set out in this announcement has been reviewed by the Audit Committee and approved by the Board.

ANNUAL GENERAL MEETING

2025 AGM will be held on Monday, 26 May 2025. A notice convening the 2025 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 HK6.3 cents per share for the year ended 31 December 2024 (2023: HK9.8 cents) to the Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 3 June 2025. Subject to the approval by the Shareholders at the 2025 AGM to be held on Monday, 26 May 2025, the proposed final dividend is expected to be paid on or about Wednesday, 2 July 2025.

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 2025 AGM

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 21 May 2025 to Monday, 26 May 2025 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 2025 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 Tuesday, 20 May 2025.

(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 2025 AGM, the register of members of the Company will be closed from Friday, 30 May 2025 to Tuesday, 3 June 2025, 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 2024, 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, 29 May 2025.

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 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	4	**6,693,118**	5,802,330
Cost of sales		**(5,724,526)**	(4,718,713)
Gross profit		**968,592**	1,083,617
Other income and gains	4	**46,430**	82,528
Selling and distribution expenses		**(110,192)**	(113,473)
Administrative expenses		**(561,427)**	(599,127)
Other expenses		**(55,616)**	(51,090)
Finance costs		**(110,778)**	(100,046)
Share of profits and losses of associates		**2,734**	(209)
PROFIT BEFORE TAX	5	**179,743**	302,200
Income tax credit	6	**24,466**	10,349
PROFIT FOR THE YEAR		**204,209**	312,549
Attributable to:			
Owners of the parent		**208,633**	317,396
Non-controlling interests		**(4,424)**	(4,847)
		204,209	312,549
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	**RMB19.18 cents**	RMB29.19 cents
Diluted	8	**RMB19.18 cents**	RMB28.94 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**204,209**	312,549
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(22,746)**	(15,325)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(22,746)**	(15,325)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**1,967**	(972)
Income tax effect	**(321)**	232
	1,646	(740)
Exchange differences on translation of the Company	**17,475**	13,265
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**19,121**	12,525
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(3,625)**	(2,800)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**200,584**	309,749
Attributable to:		
Owners of the parent	**205,008**	314,596
Non-controlling interests	**(4,424)**	(4,847)
	200,584	309,749

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**259,628**	249,864
Right-of-use assets		**43,876**	41,041
Other intangible assets		**424,697**	363,133
Investments in associates		**15,191**	12,457
Financial assets at fair value through profit or loss		**131,394**	142,667
Equity investment designated at fair value through other comprehensive income		**4,410**	2,438
Deferred tax assets		**168,091**	106,476
Advance payments for property, plant and equipment		**25,760**	54,284
Total non-current assets		**1,073,047**	972,360
CURRENT ASSETS			
Inventories		**1,332,966**	1,554,260
Trade and notes receivables	*9*	**2,352,870**	1,848,235
Contract assets		**405**	451
Prepayments, other receivables and other assets		**269,257**	506,336
Pledged deposits		**165,520**	144,712
Cash and cash equivalents		**916,208**	516,998
Total current assets		**5,037,226**	4,570,992
CURRENT LIABILITIES			
Trade and notes payables	*10*	**574,947**	595,929
Other payables and accruals		**937,949**	845,039
Derivative financial instruments		**680**	3,000
Interest-bearing bank and other loans		**1,742,945**	1,384,044
Lease liabilities		**19,707**	16,113
Tax payable		**44,560**	54,688
Total current liabilities		**3,320,788**	2,898,813

	Note	**2024**	2023
		RMB'000	*RMB'000*
NET CURRENT ASSETS		**1,716,438**	1,672,179
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,789,485**	2,644,539
NON-CURRENT LIABILITIES			
Lease liabilities		**10,963**	11,427
Government grants		**1,260**	1,500
Interest-bearing bank and other loans		**295,443**	267,726
Deferred tax liabilities		**553**	5,232
Total non-current liabilities		**308,219**	285,885
Net assets		**2,481,266**	2,358,654
EQUITY			
Equity attributable to owners of the parent			
Share capital	*11*	**9,249**	9,249
Reserves		**2,470,577**	2,343,541
		2,479,826	2,352,790
Non-controlling interests		**1,440**	5,864
Total equity		**2,481,266**	2,358,654

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") 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.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

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

	2024	2023
	RMB'000	*RMB'000*
Hong Kong	**227,744**	151,801
Mainland China	**6,419,743**	5,623,425
Other countries/regions	**45,631**	27,104
	6,693,118	5,802,330

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

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Hong Kong	**100,865**	113,595
Mainland China	**802,633**	750,831
Other countries/regions	**1,458**	1,458
	904,956	865,884

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:

	2024	2023
	RMB'000	*RMB'000*
Customer 1	**826,387**	N/A*
Customer 2	**N/A***	598,557

* 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 that year.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**6,693,118**	5,802,330

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
– Sale of products	**6,605,951**	5,740,054
– Rendering of technical services	**87,167**	62,276
	6,693,118	5,802,330

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:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	**20,033**	74,812
Technical services	**28,400**	6,975
Total	**48,433**	81,787

(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.

Technical 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. Technical service contracts are for periods of one year or more and are billed based on the time incurred.

As at the end of the reporting period, the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised within one year. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Government grants *(note a)*	**12,777**	11,531
Investment income from derivative financial instruments	**2,237**	–
Bank interest income	**5,890**	7,652
Dividend income from financial assets at fair value through profit or loss	**776**	5,030
Commission income	**2,707**	1,656
Compensation income	**148**	100
Others	**105**	135
Total other income	**24,640**	26,104
Gains		
Gain on disposal of items of property, plant and equipment	**423**	–
Gain on disposal of financial assets at fair value through profit or loss	**11,134**	8,223
Fair value gains, net:		
Derivative instruments		
– transactions not qualifying as hedges	**2,320**	3,043
Financial assets at fair value through profit or loss		
– mandatorily designated as such	**7,913**	45,158
Total gains	**21,790**	56,424
Total other income and gains	**46,430**	82,528

Note:

(a) The amount represents grants received by the subsidiaries of the Company from the local government where they reside mainly for the purpose of compensation for expenses arising from research and development activities and to support the Group's operation and development. 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):

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**5,628,694**	4,631,206
Cost of services provided	**42,351**	34,026
Depreciation of property, plant and equipment	**58,512**	53,586
Depreciation of right-of-use assets	**24,463**	23,620
Amortisation of patents and software*	**8,744**	8,811
Research and development costs:		
Deferred expenditure amortised*	**53,481**	53,481
Current year expenditure	**439,643**	466,669
Total	**493,124**	520,150
Lease payments not included in the measurement of lease liabilities	**6,405**	4,861
Auditor's remuneration	**3,295**	3,512
Employee benefit expense (excluding directors' and co-chief executives' remuneration *(note 8)*):		
Wages and salaries	**475,752**	479,794
Equity-settled share option and award expense	**18,717**	25,784
Pension scheme contributions**	**84,583**	81,613
Staff welfare expenses	**5,808**	10,494
Less: Amount capitalised	**(92,419)**	(65,735)
Total	**492,441**	531,950
Foreign exchange differences, net	**53,716**	48,916
Impairment of trade receivables, net	**3,858**	(3,133)
Write-down of inventories to net realisable value***	**71,424**	26,531
Dividend income from financial assets at fair value through profit or loss	**(776)**	(5,030)
Gain on disposal of financial assets at fair value through profit or loss	**(11,134)**	(8,223)
Investment income from derivative financial instruments	**(2,237)**	–
Fair value gains, net:		
Derivative instruments		
– transactions not qualifying as hedges	**(2,320)**	(3,043)
Financial assets at fair value through profit or loss		
– mandatorily designated as such	**(7,913)**	(45,158)
Bank interest income	**(5,890)**	(7,652)
Government grants	**(12,777)**	(11,531)
Donation	**29**	510

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

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

*** The write-down of inventories to net realisable value for the year 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 recorded an interest income during the year. 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% (2023: 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 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

The subsidiary in the Netherlands is entitled to a preferential income tax rate of 15% (2023: 15%) for the taxable income less than or equal to Euro395,000 and an income tax rate of 25.8% (2023: 25.8%) for the taxable income over Euro395,000. The subsidiary in the Chinese Taiwan is entitled to a tax exemption for the taxable income less than or equal to Taiwan dollar 120,000 and an income tax rate of 20% (2023: 20%) for the taxable income over Taiwan dollar 120,000. The subsidiary in Germany is entitled to a combined tax rate of 32.98% (2023: 32.98%), consisting of a corporate tax rate of 15%, a solidarity surcharge thereon of 5.5% and a trade tax rate of 17.15%.

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, G-Pulse, Wuxi Maxdone and Shanghai Qingheng are qualified as High and New Technology Enterprises and are subject to a preferential income tax rate of 15% (2023: 15%) during the year. Guangzhou Intron, Beijing G-Pulse and Yinghao Intelligent are qualified as Small and Micro Enterprises and are subject to a preferential tax rate of 5% to 25% during the year (2023: 5% to 20%).

	2024 ***RMB'000***	2023 *RMB'000*
Current – Mainland China		
Charge for the year	**91**	123
Current – Elsewhere		
Charge for the year	**42,058**	42,950
Deferred tax	**(66,615)**	(53,422)
Total tax credit for the year	**(24,466)**	(10,349)

A reconciliation of the tax credit applicable to profit before tax at the statutory rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**179,743**	302,200
Tax at the statutory income tax rate of 25%	**44,936**	75,550
Effect of tax rate differences in other jurisdictions	**(18,542)**	(27,020)
Preferential income tax rates applicable to certain subsidiaries	**40,065**	31,088
Additional deduction allowance for research and development costs	**(101,749)**	(108,217)
Profits and losses attributable to associates	**(684)**	52
Expenses not deductible for tax	**7,419**	5,712
Income not subject to tax	**(17,064)**	(13,059)
Tax losses not recognised	**17,801**	12,531
Temporary differences not recognised	**6,108**	13,093
Recognition of deductible temporary differences brought forward from previous years	**–**	(79)
Effect on opening deferred tax of decrease in rate	**(2,756)**	–
Tax credit at the Group's effective rate	**(24,466)**	(10,349)

7. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Proposed final – HK6.3 cents (2023: HK9.8 cents) per ordinary share	**63,229**	96,747

The proposed final dividend of HK$68,534,000 (equivalent to RMB63,229,000) for the year, which is based on the Company's total number of shares as at 28 February 2025, 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 1,087,838,400 (2023: 1,087,478,129) outstanding 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 outstanding during the year, ended 31 December 2023, 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.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 December 2024 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the shares during the current year.

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

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**208,633**	317,396

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year	**1,087,838,400**	1,087,478,129
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	9,256,582
Total	**1,087,838,400**	1,096,734,711

9. TRADE AND NOTES RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**2,311,500**	1,762,355
Notes receivable	**54,144**	94,796
	2,365,644	1,857,151
Impairment	**(12,774)**	(8,916)
Net carrying amount	**2,352,870**	1,848,235

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 RMB11,916,000 as at 31 December 2024 (2023: RMB11,421,000), which are repayable on credit terms similar to those offered to the other customers of the Group.

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:

	2024	2023
	RMB'000	*RMB'000*
Less than 3 months	**2,194,563**	1,669,242
3 to 6 months	**54,997**	59,560
6 to 12 months	**31,526**	17,456
1 to 2 years	**15,940**	5,162
2 to 3 years	**1,700**	2,019
Total	**2,298,726**	1,753,439

10. TRADE AND NOTES PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**502,664**	402,034
Notes payable	**72,283**	193,895
	574,947	595,929

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

	2024	2023
	RMB'000	*RMB'000*
Less than 3 months	**295,605**	361,028
3 to 6 months	**155,584**	35,844
6 to 12 months	**46,982**	4,548
1 to 2 years	**4,328**	100
Over 2 years	**165**	514
Total	**502,664**	402,034

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

11. SHARE CAPITAL

	2024	2023
	HK$000	*HK$000*
Authorised:		
2,400,000,000 (2023: 2,400,000,000) ordinary shares of HK$0.01 each	**24,000**	24,000

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid:		
1,087,838,400 (2023: 1,087,838,400) ordinary shares of HK$0.01 each	**9,249**	9,249

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

	Number of shares in issue	**Share capital**
		RMB'000
At1 January 2023	1,086,969,900	9,241
Share options exercised	868,500	8
At 31 December 2023, 1 January 2024 and 31 December 2024	1,087,838,400	9,249

12. EVENTS AFTER THE REPORTING PERIOD

The Company and its subsidiaries have no significant subsequent events need to be disclosed.

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

Hong Kong, 28 March 2025

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. Tsui Yung Kwok and Ms Han Shuting.