COGOBUY GROUP

科 通 芯 城 集 團

(a company incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 400)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2017

The board (the "**Board**") of directors (the "**Directors**") of Cogobuy Group (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2017 (the "**Reporting Period**") and comparison with the operating results for the corresponding period in 2016. These results were based on the unaudited consolidated interim financial statements for the Reporting Period, which were prepared in compliance with the Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

In this announcement, "we", "us" and "our" refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above).

FINANCIAL PERFORMANCE HIGHLIGHTS

	Unaudited Six months ended June 30, 2017	June 30, 2016	Year-on-year change
	(RMB in millions, unless specified)		
Revenue	**6,121.6**	5,651.0	8.3%
Gross profit	**540.0**	462.5	16.8%
Profit for the period	**287.1**	218.0	31.7%
Profit attributable to equity shareholders of the Company	**270.5**	203.4	33.0%
Earnings per share ("**EPS**") (RMB per share)			
— basic	**0.185**	0.152	21.7%
— diluted	**0.184**	0.150	22.7%
Interim dividend per share (HKD per Share)	**0.05**	—	—

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Business and Financial Performance of the Group

We are a leading e-commerce company dedicated to serving the electronics manufacturing industry in China. We operate the largest transaction-based e-commerce platform for integrated circuits ("**IC**") and other electronic components in China as measured by Gross Merchandise Value ("**GMV**") since 2013, according to Analysys International, an independent industry consultant. Through our e-commerce platform, including a direct sales platform, an online marketplace and a dedicated team of technical consultants and professional sales representatives, we provide our customers with comprehensive online and offline services across pre-sale, sale and post-sale stages. There were no material changes in our business during the six months ended June 30, 2017. For the six months ended June 30, 2017, we fulfilled orders and derived a GMV of approximately RMB12.9 billion, of which 46.6% was derived from direct sales value, 33.5% from transaction value in online marketplace and 19.9% from loan value in supply chain financing business. We serve electronics manufacturers including small and medium enterprises ("**SMEs**"), which we believe represent a lucrative and fast-growing segment of the IC and other electronic components market with a significant demand for our services. We offer a wide selection of products at competitive prices through our e-commerce platform, which are sourced from some of the top brand-name suppliers in key product categories.

According to research institute ASKCI Consulting Co., Ltd. (中商產業研究院), the size of the IC market in China is expected to grow to RMB3.9 trillion by 2017. We believe that, leveraging our early-mover advantage, we are well positioned to benefit from the significant growth potential of China's IC and other electronic components procurement market and the industry's growing demand for upgrade and innovation. To better serve and support various aspects of the electronics manufacturing industry in China, we have extended beyond the IC and other electronic components procurement market and commenced to offer additional products and services, such as various tools and applications offered through our cloud computing system. We believe that we can also drive our own long-term growth by fostering the development of an open, collaborative and prosperous e-commerce ecosystem that benefits the business operation of our customers and suppliers as a whole.

We derive our revenue substantially from direct sales of IC and other electronic components. We source high quality IC and other electronic components from leading suppliers around the world and sell them to both SME and blue-chip electronics manufacturers in China through our e-commerce platform and dedicated sales representatives, who work closely with our customers to understand their needs, provide technical consultation and help support their procurement function. For the six months ended June 30, 2017, we derived 34.6% and 65.4% for our direct sales revenue from bluechip customers and SME customers respectively. We also operate an online marketplace that allows third-party merchants to sell their products to our customers through our e-commerce platform. 0.91% of our revenue in the first half of 2017 represented commission fees that we charged these third-party merchants. We plan to further enhance our marketplace platform to complement our direct sales platform.

We have built a large community of engineers and technical professionals who are able to contribute to the procurement decisions of electronics manufacturers. The procurement decisions of a Chinese electronics manufacturer are often made by a handful of its key personnel, many of whom are engineers and technical professionals. Accordingly, we target our marketing efforts at those professionals, aiming to form and enhance the sense of community among them. For example, we hold new media marketing events, such as product launches and technology discussion forums, on various social networking platforms, including Weibo and TechWeb. We also launched the Hardeggs WeChat community in September 2013, which has become an interactive and engaging online community promoting idea and knowledge exchanges among electronics designers and engineers in China.

We have developed an e-commerce model to streamline and complement the complex offline procurement system of the electronics manufacturing industry in China. Through a combination of offline and online customer engagement, we have been able to attract and retain electronics manufacturers that work with our sales and customer service teams and through our web and mobile e-commerce platform to efficiently search and define purchase order specifications, as well as execute and manage related procurement processes. Our business model creates a unique value proposition for key participants in China's electronics manufacturing supply chain, including SMEs, blue-chip customers and suppliers.

We also launched the INGDAN.com in September 2013. The Internet of Things ("**IoT**") is leading the information industry into a new era. The development of the IoT industry has now been raised as a national strategy by various countries, and many Information Technology ("**IT**") giants have been accelerating their pace to enter into this promising industry. As reported by researcher International Data Corporation (IDC), global IoT spending will reach US$1.29 trillion by 2020, representing a compound annual growth rate (CAGR) of 15.6% between 2015 and 2020. Meanwhile, the Ministry of Industry and Information Technology of the People's Republic of China sets a target for the size of the IoT industry to exceed RMB1.5 trillion by 2020. Positioning as a major innovation business platform in the IoT era, INGDAN.com has now become the largest intelligent hardware innovation business platform in China, and is committed to becoming the most successful one of its kind in the world to provide one-stop service on supply chain to innovation startups worldwide.

Previously, we have defined five markets to be developed in depth to build an ecosystem, including robotics, smart cars, smart homes, healthcare and new materials, etc. Cogobuy.com and INGDAN.com have entered these industries, the deepened development of which will not only bring us more new business opportunities, but also further improve INGDAN.com's monetization strategies and enhance its industry reputation. INGDAN.com contributed 16.1% of our total GMV during the Reporting Period, and we believe that it will generate more GMV to the Group in coming years.

Well-positioned to offer more value-added services, we commenced our supply chain financing business in September 2014 whereby we earn interest income for providing certain financial services to third-party manufacturers, including provision of working capital financing programs. In December 2016, we extended our supply chain financing business and established a new business unit — IngFin Financing Services. With our newly launched IngFin Financing Services business, we aim to increase investments in the big-data based enterprise financing business, including loans to third parties for investment initiatives and other enterprise financing services. IngFin Financing Services is a good demonstration to show our strengths to generate new revenue stream by providing additional services based on the Company's existing platform. During the Reporting Period, GMV contributed by the provision of loans through our IngFin Financing Services reached RMB2.6 billion.

Future Prospects

Our goal is to become the leading e-commerce platform serving China's unique value proposition industry. We intend to pursue the following growth strategies to achieve our goal:

I. ***Expand the SME Customer Base***

We plan to further expand our customer base by attracting more SME customers. We intend to target more efforts at SME electronics manufacturers, which we believe represent a lucrative and fast-growing segment of the IC and other electronic components markets with significant demand for our services. We will further exploit social media platforms in China to facilitate idea and knowledge exchanges among a targeted community of engineers and technical professionals and enhance their community experience. We are also in the process of developing new business applications and customized software to provide potential SME customers with access to a wide range of high-quality technical resources. By bolstering our brand name and serving a targeted professional community, we expect to enhance word-of-mouth marketing effects, which we believe will drive new user acquisition and increase conversion of our registered users into transaction users.

II. ***Enhance Our Marketplace Platform to Complement the Existing Direct Sales Platform***

We officially launched our marketplace platform in July 2013 and we are in the process of expanding its product and service offerings to further complement our direct sales platform. Our marketplace platform takes advantage of our IT and logistics infrastructure to allow third-party merchants to make sales to our registered users. We plan to attract more channel sales vendors, suppliers and manufacturers to our marketplace platform, with a particular emphasis on SME manufacturers of IC and other electronic components. We will also develop tools to establish trust ratings for suppliers and buyers, thus facilitating the process of selecting potential trading partners. We believe that our focus on the business needs of SME merchants will enable us to develop and offer them better services compared to those of other e-commerce companies that focus principally on consumers.

III. ***Further Enhance Customer Loyalty and Increase Purchases Per Customer***

We plan to continue to enhance customer loyalty and induce more purchases from our existing customers. We intend to leverage our advanced market analytics tools to make our e-commerce platform more efficient and useful to our customers. We will continue to enhance the customized contents on our e-commerce platform and develop new tools for our customers based on their business needs. We plan to continue to develop new complementary services aiming to offer a complete range of products and solutions to our customers. We will also expand our investment in customer service, order fulfilment and delivery capabilities in order to enhance our service reliability and shorten our customer response time to further strengthen the effectiveness of our platform. We plan to increase the repeat purchase rates of newly-acquired customers. We will continue to provide the key procurement personnel of our new customers with powerful online tools, enterprise resource planning and other services free of charge. These services will enable us to maintain constant interactive communications with the key personnel, which in turn allows us to better understand the customers' demands and their product development. Accordingly, we will be able to make customized marketing plans targeted at the new customers and cross-sell other products.

IV. *Foster the Development of an Ecosystem Serving the Electronics Manufacturing Value Chain*

We plan to foster the development of an open, collaborative and prosperous e-commerce ecosystem that will benefit the business operations of our customers and suppliers, which we believe will also drive our own long-term growth. We intend to broaden our platform's value-added services by extending into related businesses that serve the electronics manufacturing value chain, such as supply chain financing, insurance and cloud computing services. As solutions and services are becoming increasingly imperative for enterprises, we believe that these complementary services are natural extensions of our offerings and will gain traction among our customers. During the process, we also plan to diversify our service offerings by monetizing the massive amount of data collected from our customers and suppliers to diversify our service offerings. We will invest more resources in the research and development of technologies to acquire additional analytical power and deeper understanding of customer behaviours, which will enable us to identify and address the needs of customers and suppliers through data mining and offer them customized solutions at scale. Our data-driven services will include marketing and advertising planning, merchandising, customized products, fulfilment management and third-party data services.

V. *Expand and Develop New Business Platforms*

We intend to further increase the monetization rate of INGDAN.com by developing it to a ten billion-sized innovation and entrepreneurship platform. INGDAN.com acquires a myriad of customers, demands and data online, and monetizes transactions by supply chain resources and other corporate services offline. This creates synergy that drives a greater contribution by INGDAN.com to the Group in the future. On the other hand, we have established a new business unit, namely IngFin Financing Services, through which, we will conduct big-data based supply chain financing products as well as other corporate financing products.

VI. *Pursue Strategic Partnerships and Acquisition Opportunities*

In addition to growing our business through internal initiatives, we plan to expand our business through strategic partnerships and acquisitions. We plan to identify partnerships and acquisition targets that are complementary to our business operations, including overseas targets. This can help us expand our user and revenue base, widen our geographic coverage, enhance our product and service offerings, improve our technology infrastructure and strengthen our talent pool. We also plan to leverage our market position and business model to seek attractive cross-selling, crossmarketing and licensing opportunities. In 2014, we became a Microsoft Gold Certified Partner, and started promoting Microsoft Cloud services to our customers.

First half of 2017 compared to first half of 2016

The following table sets forth the comparative figures for the first half of 2017 and the first half of 2016:

	Unaudited Six months ended June 30, 2017	June 30, 2016
	(RMB in millions)	
Revenue	**6,121.6**	5,651.0
Cost of sales	**(5,581.6)**	(5,188.5)
Gross profit	**540.0**	462.5
Other income	**55.8**	12.1
Selling and distribution expenses	**(80.8)**	(89.8)
Research and development expenses	**(51.1)**	(22.7)
Administrative and other operating expenses	**(78.0)**	(82.5)
Profit from operations	**385.9**	279.6
Finance costs	**(51.1)**	(24.4)
Share of profit of an associate	**2.7**	—
Profit before taxation	**337.5**	255.2
Income tax	**(50.4)**	(37.2)
Profit for the period	**287.1**	218.0
Attributable to:		
Equity shareholders of the Company	**270.5**	203.4
Non-controlling interests	**16.6**	14.6
Profit for the period	**287.1**	218.0

1. **Overview**

For the six months ended June 30, 2017, profit of the Group increased to RMB287.1 million, representing an increase of RMB69.1 million as compared with RMB218.0 million for the corresponding period of 2016. Profit attributable to equity shareholders of the Company amounted to RMB270.5 million, representing an increase of RMB67.1 million compared with RMB203.4 million for the corresponding period of 2016.

2. **Revenue**

For the six months ended June 30, 2017, revenue of the Group amounted to RMB6,121.6 million, representing an increase of RMB470.6 million or 8.3% as compared with RMB5,651.0 million for the corresponding period of 2016. The Group's revenue comprised RMB5,996.3 million of direct sales revenue, RMB55.7 million of marketplace revenue and RMB69.6 million of IngFin Financing Services revenue. The increase was primarily due to product sales as a result of more variety of product types. Increase in revenue was also contributed by increase in marketplace income and interest income for providing IngFin Financing Services.

3. **Cost of Sales**

Cost of sales for the six months ended June 30, 2017 was RMB5,581.6 million, representing an increase of 7.6% from RMB5,188.5 million for the six months ended June 30, 2016. Cost of sales during the same periods were partially offset by supplier rebates and discounts of RMB178.7 million. The increase was due to increase in revenue and sales to customers for the reasons described above.

4. **Gross Profit**

Gross profit for the six months ended June 30, 2017 was RMB540.0 million, representing an increase of 16.8% from RMB462.5 million for the six months ended June 30, 2016. The marketplace income and IngFin Financing Services interest income normally involve minimal cost of services. The growth of marketplace income and IngFin Financing Services interest income contributed to the improvement of gross profit margin. The increase in gross profit amount was primarily driven by the results of revenue and cost of sales for the reasons described above.

5. **Other Income**

For the six months ended June 30, 2017, other income of the Group amounted to RMB55.8 million, representing an increase of RMB43.7 million or 361.2% as compared with RMB12.1 million for the corresponding period of 2016. This was primarily due to more gain on disposal of available-for-sale investments realized for the first half of 2017.

6. Selling and Distribution Expenses

Selling and distribution expenses of the Group for the six months ended June 30, 2017 amounted to RMB80.8 million, representing a decrease of RMB9.0 million or 10.0% from RMB89.8 million over the corresponding period of 2016. This was primarily due to adjustments in marketing strategies.

7. Research and Development Expenses

For the six months ended June 30, 2017, research and development expenses of the Group amounted to RMB51.1 million, representing an increase of RMB28.4 million or 125.1% from RMB22.7 million over the corresponding period of 2016. This was primarily due to more expenses spent for online platform technology enhancement during the Reporting Period.

8. Administrative and Other Operating Expenses

Administrative and other operating expenses for the six months ended June 30, 2017 were RMB78.0 million, representing a decrease of RMB4.5 million or 5.5% from RMB82.5 million over the corresponding period of 2016. This was primarily due to decrease in general administrative costs such as office related expenses.

9. Income Tax

Our income tax increased by 35.5% from approximately RMB37.2 million for the six months ended June 30, 2016 to approximately RMB50.4 million for the year ended June 30, 2017. The effective tax rate for the six months ended June 30, 2017 was 14.9%, as compared to 14.6% for the six months ended June 30, 2016.

10. Profit Attributable to Equity Shareholders of the Company for the Reporting Period

For the six months ended June 30, 2017, profit attributable to equity shareholders of the Company amounted to RMB270.5 million, representing an increase of RMB67.1 million or 33.0% as compared with RMB203.4 million for the corresponding period of 2016. The increase was primarily due to increase in gross profit amount primarily driven by the results of revenue for the reasons described above.

11. Liquidity and Source of Funding

As of June 30, 2017, the current assets of the Group amounted to RMB8,237.9 million, which mainly comprised cash and bank balances (including pledged deposits and restricted cash), inventories, loans receivable and trade and other receivables, in the amount of RMB3,295.2 million, RMB967.6 million, RMB2,403.8 million and RMB1,558.3 million, respectively. Current liabilities of the Group amounted to RMB4,726.7 million, of which RMB3,693.5 million was bank loans and RMB919.8 million was trade and other payables. As of June 30, 2017, the current ratio (the current assets to current liabilities ratio) of the Group was 1.74, representing an increase of 0.07 as compared with 1.67 as of December 31, 2016.

The Group does not have other debt financing obligations as of June 30, 2017 or the date of this interim results announcement and does not have any breaches of financial covenants.

12. Capital Expenditure

For the six months ended June 30, 2017, the capital expenditure of the Group amounted to approximately RMB0.6 million, representing a decrease of RMB3.6 million or 85.7% compared with RMB4.2 million for the corresponding period in 2016. The decrease in capital expenditure was primarily due to decrease in spending for office equipment.

13. Net Gearing Ratio

As of June 30, 2017, the net gearing ratio of the Group, which was calculated by dividing net debt (total bank loans minus cash and cash equivalents, pledged deposits and restricted cash) by total equity was 10.5% as compared with 8.7% as of December 31, 2016. The increase was primarily due to more funding spent for IngFin Financing Services business.

14. Pledge of Assets

Except for the pledged bank deposits and restricted cash of RMB2,679.1 million and RMB1,652.4 million as of June 30, 2017 and December 31, 2016, respectively, the Group did not pledge any assets for the six months ended June 30, 2017. The pledged bank deposits were placed as security for credit facilities granted by several banks in Hong Kong.

15. Contingent Liabilities

Neither the Group nor the Company had any significant contingent liabilities as of June 30, 2017.

16. Foreign Exchange Exposure

Foreign currency transactions during the Reporting Period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the Reporting Period. Exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of operations with functional currency other than Renminbi are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Consolidated statements of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the Reporting Period. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation with functional currency other than Renminbi, the cumulative amount of the exchange differences relating to that operation with functional currency other than Renminbi is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

17. Material Investments

The Group did not make any material investments for the six months ended June 30, 2017.

18. Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals during the Reporting Period.

19. Events after the Reporting Period

Disposal of a subsidiary

On July 12, 2017, the Group entered into a sale and purchase agreement to transfer 51.0% equity interest of World Style Technology Holdings Limited "**World Style**", a subsidiary of the Group, to a third party for a consideration of RMB55.5 million. Upon the completion of the transfer, the Group will not hold any equity interest in World Style.

For the six months ended June 30, 2017, the consolidated net profit of World Style and its subsidiaries amounted to RMB11.9 million. As of June 30, 2017, the consolidated net assets of World Style and its subsidiaries amounted to RMB51.5 million.

Repayment of bank loans

Subsequent to the end of the Reporting Period, the Group has repaid bank loans amounting to RMB1,472.4 million.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Consolidated Statement of Comprehensive Income — Unaudited

For the six months ended June 30, 2017

		Six months ended June 30,	
		2017	2016
	Note	***RMB'000***	*RMB'000*
Revenue	*3, 4*	**6,121,617**	5,650,952
Cost of revenue		**(5,581,602)**	(5,188,460)
Gross profit		**540,015**	462,492
Other income	*5*	**55,751**	12,098
Selling and distribution expenses		**(80,750)**	(89,792)
Research and development expenses		**(51,080)**	(22,648)
Administrative and other operating expenses		**(78,017)**	(82,520)
Profit from operations		**385,919**	279,630
Finance costs	*6(a)*	**(51,133)**	(24,406)
Share of profit of an associate		**2,740**	—
Profit before taxation	*6*	**337,526**	255,224
Income tax	*7*	**(50,415)**	(37,213)
Profit for the period		**287,111**	218,011
Attributable to:			
Equity shareholders of the Company		**270,464**	203,440
Non-controlling interests		**16,647**	14,571
Profit for the period		**287,111**	218,011

		Six months ended June 30,	
		2017	2016
	Note	***RMB'000***	*RMB'000*
Profit for the period		**287,111**	218,011
Other comprehensive income for the period (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of entities with functional currency other than Renminbi		**(64,962)**	29,007
— Net movement in the fair value reserve of available-for-sale investments		**(4,904)**	—
Other comprehensive income for the period		**(69,866)**	29,007
Total comprehensive income for the period		**217,245**	247,018
Attributable to:			
Equity shareholders of the Company		**202,338**	232,702
Non-controlling interests		**14,907**	14,316
Total comprehensive income for the period		**217,245**	247,018
Earnings per share	*8*		
Basic (RMB)		**0.185**	0.152
Diluted (RMB)		**0.184**	0.150

Consolidated Statement of Financial Position — Unaudited

As of June 30, 2017

	Note	As of June 30, 2017 RMB'000	As of December 31, 2016 RMB'000
Non-current assets			
Property, plant and equipment		**12,766**	14,189
Intangible assets		**44,337**	51,286
Goodwill		**197,360**	201,659
Available-for-sale investments		**21,473**	107,426
Other non-current assets		**1,929**	2,247
Investment in an associate and a joint venture		**18,782**	16,446
		296,647	393,253
Current assets			
Inventories		**967,630**	1,394,835
Trade and other receivables	9	**1,558,342**	2,095,591
Loans receivable	10	**2,403,830**	794,596
Short term deposits		**12,943**	12,649
Available-for-sale investments		**—**	471,212
Pledged deposit		**1,613,474**	1,652,434
Restricted cash		**1,065,611**	—
Cash and cash equivalents		**616,097**	1,825,543
		8,237,927	8,246,860
Current liabilities			
Trade and other payables	11	**919,814**	1,027,076
Bank loans		**3,693,530**	3,797,382
Amount due to a related party		**38,066**	38,985
Current taxation		**75,311**	81,776
		4,726,721	4,945,219
Net current assets		**3,511,206**	3,301,641
Total assets less current liabilities		**3,807,853**	3,694,894
Non-current liabilities			
Deferred tax liabilities		**7,705**	8,959
NET ASSETS		**3,800,148**	3,685,935
CAPITAL AND RESERVES			
Share capital		**1**	1
Reserves		**3,699,799**	3,600,493
Total equity attributable to equity shareholders of the Company		**3,699,800**	3,600,494
Non-controlling interests		**100,348**	85,441
TOTAL EQUITY		**3,800,148**	3,685,935

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This interim financial report of Cogobuy Group (the "**Company**") and its subsidiaries (the "**Group**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorized for issue on August 31, 2017.

The Company was incorporated in the Cayman Islands on February 1, 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Group is principally engaged in the sales of integrated circuits ("**IC**") and other electronic components in the People's Republic of China ("**PRC**"). The Group also operates two e-commerce platforms for the sales of IC and other electronic components and is engaged in providing financing services, with supply chain financing as the core. The shares of the Company have been listed on the Main Board of the Stock Exchange since July 18, 2014 (the "**Listing**").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The financial information relating to the financial year ended December 31, 2016 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory annual consolidated financial statements for the year ended December 31, 2016 are available from the Company's registered office. The auditor has expressed an unqualified opinion on these financial statements in their report dated March 21, 2017.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the interim financial report, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group is principally engaged in the sales of IC and other electronic components. The Group also operates two e-commerce platforms for the sale of IC and other electronic components and is engaged in the provision of financing services, with supply chain financing as the core.

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments. Information regarding the Group's reportable segments for the period is set out below.

	Sales of IC and other electronic components		**Financing Services**		**Total**	
For the six months ended June 30	**2017**	2016	**2017**	2016	**2017**	2016
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**6,051,991**	5,643,405	**69,626**	7,547	**6,121,617**	5,650,952
Reportable segment profit before taxation	**285,481**	249,241	**52,045**	5,983	**337,526**	255,224
As at June 30/December 31						
Reportable segment assets	**6,076,037**	7,834,728	**2,458,537**	805,385	**8,534,574**	8,640,113
Reportable segment liabilities	**2,333,442**	4,164,106	**2,400,984**	790,072	**4,734,426**	4,954,178

Substantially all of the Group's operations are in the PRC (including Hong Kong). Consequently, no geographic information is presented.

4 REVENUE

Revenue mainly represents the sales value of goods delivered to customers, commission fees charged to third-party merchants for using the e-commerce marketplaces ("**marketplace income**") and interest income generated from financing services. The amount of each significant category of revenue recognized for the periods is as follows:

	Six months ended June 30,	
	2017	2016
	RMB'000	*RMB'000*
Sales of IC and other electronic components	**5,996,332**	5,605,611
Marketplace income	**55,659**	37,794
Financing services interest income	**69,626**	7,547
	6,121,617	5,650,952

The Group's operations are not subject to significant seasonality fluctuations.

The Group's customer base is diversified and includes only one customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended June 30, 2017 (six months ended June 30, 2016: Nil). Revenue from the sales of IC and other electronic components to this customer amounted to approximately RMB657 million (six months ended June 30, 2016: RMB384 million).

5 OTHER INCOME

	Six months ended June 30,	
	2017	2016
	RMB'000	*RMB'000*
Available-for-sale investments:		
— On impairment	**—**	(34,120)
— Reclassified from equity on disposal	**4,904**	—
— Net gain on disposal	**31,553**	32,410
Bank interest income	**14,511**	9,667
Dividend income from listed securities	**1,908**	2,143
Government grants	**1,148**	1,998
Others	**1,727**	—
	55,751	12,098

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended June 30, 2017 RMB'000	2016 RMB'000
(a) Finance costs		
Interest expense on bank loans	**43,174**	19,506
Factoring costs *(note 9)*	**7,959**	4,900
	51,133	24,406
(b) Staff costs		
Contributions to defined contribution retirement plan	**9,443**	7,420
Salaries, wages and other benefits	**49,915**	67,077
Equity-settled shared-based compensation expenses	**23,603**	24,143
	82,961	98,640
(c) Other items		
Amortization of intangible assets	**6,753**	6,649
Depreciation of property, plant and equipment	**1,054**	717
Cost of inventories	**5,581,602**	5,188,460
Impairment loss on trade receivables	**9,639**	4,920
Net foreign exchange (gain)/loss	**(8,780)**	1,539
Operating lease charges in respect of property rentals	**8,593**	6,570
Research and development expenses *(note)*	**51,080**	22,648

Note:

Research and development expenses include staff costs of employees in the design, research and development function of RMB34,362,000 for the six months ended June 30, 2017 (six months ended June 30, 2016: RMB17,449,000), which are included in the staff costs as disclosed in note 6(b).

Research and development expenses for the six months ended June 30, 2017 also include operating lease charges in respect of property rentals of RMB2,457,000 (six months ended June 30, 2016: RMB1,558,000), and amortization and depreciation charge of RMB462,000 (six months ended June 30, 2016: RMB251,000).

7 INCOME TAX

	Six months ended June 30,	
	2017	2016
	RMB'000	*RMB'000*
Current tax		
PRC Corporation Income Tax	**15,440**	17,298
Hong Kong Profits Tax	**35,114**	20,748
Overseas current tax	**975**	264
	51,529	38,310
Deferred taxation		
Origination and reversal of temporary differences	**(1,114)**	(1,097)
	50,415	37,213

(a) ***Cayman Islands and the British Virgin Island (the "BVI")***

Under the current laws of the Cayman Islands and the BVI, the entities that are incorporated in the Cayman Islands and the BVI are not subject to tax on income or capital gains.

(b) ***Hong Kong***

The entities that are incorporated in Hong Kong are subject to Hong Kong Profits Tax. The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% for the six months ended June 30, 2017 (six months ended June 30, 2016: 16.5%).

(c) ***The PRC***

Effective from January 1, 2008, the PRC statutory income tax rate is 25%. The PRC subsidiaries are subject to PRC Corporate Income Tax ("**CIT**") at statutory rate of 25%, unless otherwise specified.

Cogobuy.com E-commerce Service (Shenzhen) Limited, Shenzhen Cogobuy Information Technologies Limited and FOXSAAS Information Technology (Shenzhen) Limited, being qualified software enterprises, are each granted a tax holiday of two-year tax exemption followed by three-year 50% tax reduction (subject to annual review) starting from the first profit making year from the PRC tax perspective under the then effective tax regulations ("**2+3 tax holiday**") during 2013. As a result, they are exempted from CIT for 2013 and 2014, and are subject to CIT at 12.5% from 2015 to 2017 and at 25% from 2018 onwards.

Qianhai Cogobuy.com (Shenzhen) Limited and INGDAN.com (Shenzhen) Limited, being qualified software enterprises, are granted a 2+3 tax holiday under the then effective tax regulations during 2015. As a result, they are exempted from CIT for 2015 and 2016, and are subject to CIT at 12.5% from 2017 to 2019 and 25% from 2020 onwards.

According to the prevailing PRC CIT law and its relevant regulations, non-PRC-resident enterprises are levied withholding tax at 10%, unless reduced by tax treaties or similar arrangements, on dividends from their PRC-resident investees for earnings accumulated beginning on January 1, 2008. Undistributed earnings generated prior to January 1, 2008 are exempt from such withholding tax.

Under the Arrangement between the Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, dividends paid by a PRC resident enterprise to its direct holding company in Hong Kong will be subject to withholding tax at a reduced rate of 5% (if the Hong Kong investor is the "beneficial owner" and owns directly at least 25% of the equity interest of the PRC resident enterprise for the past twelve months before the dividends distribution).

For the purpose of the interim financial report, the Directors determined that the management of the Group can control the quantum and timing of distribution of profits of their PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

8 EARNINGS PER SHARE

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB270,464,000 for the six months ended June 30, 2017 (six months ended June 30, 2016: RMB203,440,000) and the weighted average number of ordinary shares of 1,462,043,000 shares (six months ended June 30, 2016: 1,338,310,000 shares).

Basic earnings per share during the periods are calculated as follows:

Weighted average number of ordinary shares

	Six months ended June 30,	
	2017	2016
Issued ordinary shares at the beginning of the period	**1,465,357,000**	1,340,679,000
Issue of shares under the RSU Scheme	**2,343,000**	2,975,000
Repurchases of shares	**(5,657,000)**	(5,344,000)
Weighted average number of ordinary shares as of the end of the period	**1,462,043,000**	1,338,310,000

(b) ***Diluted earnings per share***

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB270,464,000 for the six months ended June 30, 2017 (six months ended June 30, 2016: RMB203,440,000) and the weighted average number of ordinary shares of 1,472,940,000 shares (six months ended June 30, 2016: 1,355,073,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended June 30,	
	2017	2016
Weighted average number of ordinary shares as of the end of the period	**1,462,043,000**	1,338,310,000
Effect of deemed issue of shares under the Company's RSU Scheme for nil consideration	**10,897,000**	16,763,000
Weighted average number of ordinary shares (diluted) as of the end of the period	**1,472,940,000**	1,355,073,000

9 TRADE AND OTHER RECEIVABLES

	As of June 30, 2017	As of December 31, 2016
	RMB'000	*RMB'000*
Trade receivables	**1,510,524**	2,079,935
Bills receivables	**36,993**	38,436
Trade and bills receivables	**1,547,517**	2,118,371
Less: allowance for doubtful debts	**(99,843)**	(90,204)
	1,447,674	2,028,167
Loan interest receivables	**49,038**	3,665
Deposits and prepayments	**40,635**	56,441
Other receivables	**20,995**	7,318
	1,558,342	2,095,591

During the reporting period, the Group was subject to several factoring agreements with banks under which the banks pay an amount net of discount to the Group and collect the factored trade receivable balances directly from the Group's customers without recourse. The costs of the factoring arrangement ranged from 2.1% to 3.0% (six months ended June 30, 2016: 2.2% to 2.9%) of the balances transferred and are included in "finance costs" for the six months ended June 30, 2017. The Group considered it has transferred the contractual rights to receive the cash flows of the trade receivables being factored and therefore records the transfers of trade receivables pursuant to the factoring agreements as sales. All of the factored trade receivables were accounted for as sales and derecognized upon transfer.

For the six months ended June 30, 2017, the Group received proceeds of RMB1,979,257,000 (six months ended June 30, 2016: RMB1,513,956,000) from sales of trade receivables. The Group recognized discounts of RMB7,959,000 (six months ended June 30, 2016: RMB4,900,000) in finance costs for trade receivables sold to the banks for the six months ended June 30, 2017.

Aging analysis

As of the end of the reporting period, the aging analysis of trade and bills receivables (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

	As of June 30, 2017	As of December 31, 2016
	RMB'000	*RMB'000*
Within 1 month	**1,048,890**	1,272,570
1 to 2 months	**243,239**	466,007
2 to 3 months	**122,286**	206,970
Over 3 months	**33,259**	82,620
	1,447,674	2,028,167

Trade and bills receivables are normally due within 30 to 90 days from the date of billing.

10 LOANS RECEIVABLE

	As of June 30, 2017	As of December 31, 2016
	RMB'000	*RMB'000*
Unsecured loans	**175,536**	64,612
Secured loans	**2,228,294**	729,984
	2,403,830	794,596

Loans receivable comprise unsecured loans without collateral and secured loans secured by the borrowers' inventories, receivables, investment in securities, etc..

As of the end of the reporting period, the aging analysis of loans receivable, based on maturity date, is as follows:

	As of June 30, 2017 *RMB'000*	As of December 31, 2016 *RMB'000*
Past due	**124,933**	—
Within 1 month	**563,464**	—
1 to 2 months	**67,572**	150,618
2 to 3 months	**658,054**	64,691
Over 3 months	**989,807**	579,287
	2,403,830	794,596

As of June 30, 2017, none of the loans receivable was determined to be individually impaired (December 31, 2016: Nil). All loans receivable will be mature within one year. As of the date of this announcement, RMB2,064,036,000 of the loans receivable were subsequently settled.

11 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the aging analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	As of June 30, 2017 *RMB'000*	As of December 31, 2016 *RMB'000*
Within 1 month	**597,410**	776,136
1 to 3 months	**46,896**	157,271
Over 3 months	**1,924**	34,000
Trade payables	**646,230**	967,407
Accrued staff costs	**1,486**	23,566
Other payables	**272,098**	36,103
	919,814	1,027,076

CLARIFICATION RELATION TO THE COMPANY'S CASHFLOW

Reference is made to the announcement of the Company dated May 29, 2017.

Further information is provided to assist shareholders and potential investors of the Company to understand how the net cash used in operating activities for the year ended December 31, 2016 of RMB569.52 million was reconciled with the non-GAAP net operating cash inflow of RMB285.35 million, and how the difference of RMB854.87 million was reconciled with the amount of increase in loans to third parties of RMB522.99 million and increase in bank loans used for supply chain financing business of RMB421.41 million.

Non-GAAP operating cash flow is defined as net cash provided by or used in operating activities plus amount of loan to third parties financed by the Company's own funds under its IngFin Financing Services / supply chain financing business.

The Company provided the non-GAAP operating cash flow as a theoretical simulation to illustrate what its operating cash flow position would have been if all of its IngFin Financial Services operations, including the amount of RMB854.87 million in loans to third parties funded by its own money, had been funded by bank loans (as they had been prior to the fourth quarter in 2016), in which case, the borrowing for the supply chain financing business would have also increased by RMB854.87 million. Prior to the fourth quarter of 2016, all of the Company's loans to third parties were funded by bank loans, the Company had not stated non-GAAP operating cash flow and the Company's cash flow statements has included all bank loans inflows. The Company only began presenting non-GAAP operating cash flow in its quarterly operating announcement for the fourth quarter of 2016 (announced on March 21, 2017) to provide more transparency to the public by illustrating the effect of utilizing idle cash instead of bank loans on cash flow. The entire amount of RMB854.87 million was applied for loans to third parties for IngFin Financing Services.

In order to achieve effective cash flow and treasury management, RMB125 million repaid by third parties during the Reporting Period was set aside for the Company's future IngFin Financing Services as part of the Company's normal operating activities. The inflow repayment did not net-off outflow repayment since the RMB854.87 million funded by other businesses of the Group was not required to be repaid (as if such amount of bank loans were not due). As at December 31, 2016, the outstanding balance of loans to third parties for IngFin Financing Services was RMB794.6 million, of which RMB729.9 million was financed by the Company's own funds and RMB64.7 million was funded by bank loans.

The Company had opted to use its excessive idle cash immediately instead of negotiating with various banks for increase in credit facilities at times when cash was required to finance these loans to third parties in order to achieve more effective cash flow and treasury management.

As set out in the Company's annual reports for 2015 and 2016, the Company's outstanding loans to third parties increased from approximately RMB276.75 million as at December 31, 2015 to RMB794.60 million as at December 31, 2016. The net increase in loans outstanding to third parties as at the end of 2016 was therefore only RMB517.85 million.

As stated in the Company's interim report for the six months ended June 30, 2016, the outstanding loans to third parties decreased significantly to RMB146.10 million as at June 30, 2016 due to repayments by customers during the first half of 2016. The Company's level of outstanding loans to third parties remained relatively low right through to November 2016, when the Company made the decision to focus on the expansion of its newly rebranded IngFin Financing Services business. Out of the RMB794.6 million outstanding loan balance as at the end of the 2016, over 39% and 60% were drawn down in November and December 2016 respectively. In other words, the amount of loans outstanding throughout most of 2016 was actually significantly lower than 2015, and only increased significantly during November and December 2016, resulting in the overall interest payments received by the Company in 2016 being only moderately above those received in 2015.

The Company also wishes to clarify that there has not been significant growth in its trade and other receivables and inventories relative to the size of its business. The Company's revenues have grown from approximately RMB6,848 million in 2014 to approximately RMB9,453 million in 2015 and further to RMB12,933 million in 2016, representing growth of approximately 88.86% over the above period.

Although the Company's trade and other receivables and inventories have increased significantly in absolute numbers, they have not increased significantly relative to the size of the growth of the Company's operations. The table below sets out the Company's inventory turnover days and trade receivables turnover days for each of 2014, 2015 and 2016.

	2014	**2015**	**2016**
Inventory Turnover Days	21.5	23.3	30.8
Trade Receivables Turnover Days	35.9	40.3	47.0

While the Company's inventory turnover days and trade receivables turnover days have risen moderately from 21.5 days and 30.8 days, respectively in 2014, to 35.9 days and 47.0 days respectively in 2016, they still remain at relatively low levels. These levels are broadly consistent (and in some cases lower than) with those experienced by the Company between 2012 and 2014, with the corresponding figures for inventory turnover days for 2012, 2013 and the three months ended 31 March 2014 being 42 days, 29 days and 24 days days, respectively, and its trade receivable turnover days for the same periods being 52 days, 68 days and 41 days, respectively (as set out in the Company's prospectus dated July 8, 2014). Therefore, it is apparent that the significant growth in turnover and trade receivables is largely a function of the growth in the Company's scale of business.

As the Company expands and deepens its relationships with key customers, and in particular its blue chip customers, these customers may seek better credit terms if the absolute value of their business with the Company increases. The Company typically provides credit terms of 90 days or longer to its blue chip customers. As such, the Company's trade receivables turnover days are still less than the number of days that the Company typically provides its blue chip customers to settle their accounts, reflecting the shorter credit terms offered to SME customers. The Company also believes that its inventory levels and trade receivables are within a reasonable range relative to peer companies.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders. The Board is of the view that the Company has complied with all the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules except for code provision A.2.1 as mentioned below during the period from January 1, 2017 to June 30, 2017.

Pursuant to code provision A.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Mr. Kang Jingwei, Jeffrey currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

During the Reporting Period, the Directors were not aware of any business or interest of the Directors or any substantial shareholder (as defined under the Listing Rules) of the Company and their respective associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules to regulate all dealings by the Directors of the securities in the Company. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code for the six months ended June 30, 2017 and to the date of this announcement.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted throughout the Reporting Period after making reasonable enquiry.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the Listing Rules. The primary duties of the audit committee are to review and supervise the Company's financial reporting process and internal control system of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board. The audit committee comprises three members, namely, Mr. Zhong Xiaolin, Forrest, Mr. Ye Xin and Dr. Ma Qiyuan, all being independent non-executive Directors. Mr. Zhong Xiaolin Forrest is the chairman of the audit committee.

The audit committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2017. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

The interim financial report of the Group for the six months ended June 30, 2017 is unaudited but has been reviewed by the audit committee of the Company.

OTHER BOARD COMMITTEES

In addition to the audit committee, the Company has also established a nomination committee and a remuneration committee.

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

During the six months ended June 30, 2017, the Company repurchased an aggregate of 12,227,000 shares of its own issued ordinary share capital through the Stock Exchange at an aggregate consideration of HK$117.8 million (equivalent to RMB105.0 million).

The repurchases were effected by the Directors for the benefit of the Company and to create value to its shareholders. During the six months ended June 30, 2017, the Company had repurchased a total of 12,227,000 shares, of which 413,000 shares, 1,470,000 shares, 6,949,000 shares and 3,395,000 shares were cancelled on February 3, 2017, March 3, 2017, June 9, 2017 and July 6, 2017 respectively.

Save for the aforesaid, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MATERIAL LITIGATION

As of June 30, 2017, the Company was not involved in any material litigation or arbitration. Nor were the Directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend of HK$0.05 per share for the six months ended June 30, 2017 (six months ended June 30, 2016: Nil) which will be payable on October 23, 2017 to shareholders of the Company whose names appear on the Register of Members as at the close of business on Friday, October 6, 2017. The dividend of HK$0.05 per share is payable on the existing 1,471,276,732 shares in issue.

The Register of Members will be closed from Wednesday, October 4, 2017 to Friday, October 6, 2017 (both days inclusive), during which period no transfer of shares will be registered. To qualify for entitlement of the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates should be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, October 3, 2017.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cogobuy.com. The 2017 interim report of the Group for the six months ended June 30, 2017 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders in due course.

By order of the Board
Cogobuy Group
KANG Jingwei, Jeffrey
Chairman and Executive Director

Hong Kong, August 31, 2017

As at the date of this announcement, the executive Directors of the Company are Mr. KANG Jingwei, Jeffrey, Mr. WU Lun Cheung Allen and Ms. NI Hong, Hope; the non-executive Directors of the Company are Mr. GUO Jiang and Mr. KIM Jin Ha, Jason; and the independent non-executive Directors of the Company are Mr. ZHONG Xiaolin, Forrest, Mr. YE Xin and Dr. MA Qiyuan.