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IngDan 硬蛋

HATCH THE INTERNET OF THINGS

INGDAN, INC.

硬蛋創新

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 400)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Ingdan, Inc. (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended June 30, 2022 (the “**Reporting Period**”) and comparison with the operating results for the corresponding period in 2021. These results were based on the unaudited condensed consolidated interim financial information 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 (the “**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, 2022	June 30, 2021	Year-on-year change
	<i>(Renminbi (“RMB”) in millions, unless specified)</i>		
Revenue	4,702.4	3,927.3	19.7%
Gross profit	424.4	344.6	23.2%
Profit for the period	211.9	172.4	22.9%
Profit attributable to owners of the Company	131.7	110.5	19.2%
Earnings per share (“EPS”) (RMB per share)			
— basic	0.095	0.079	20.3%
— diluted	0.094	0.079	19.0%

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Overall business and financial performance of the Group

We are a technology services platform (Integration Platform as a Service (“IPaaS”)) serving the global integrated circuits chips (“IC”) industry and artificial intelligence and Internet of things (together “AIoT”) ecosystem in China. The Company officially changed its name from “Cogobuy Group” to Ingdan, Inc. on June 10, 2022. The Group’s core businesses are Comtech (“Comtech”), a technology services platform for the chip industry, and Ingdan (“Ingdan”), a platform providing AIoT technology and services.

The demand for chips has been continuously boosted under the accelerated development of industrial digitization and domestic 5G construction. Benefiting from the expansion of the “new economy” industries such as EV, new energy, and digital infrastructure, demand for industrial chips was particularly strong. Industrial chip demand continued to accelerate the growth of chip business and drove the overall performance of the Group. As of June 30, 2022, the Group generated a revenue of approximately RMB4,702.4 million, as compared to approximately RMB3,927.3 million for the corresponding period in 2021, representing an increase of approximately 19.7%. The Group recorded an increase of 22.9% in net profit after tax compared to the corresponding period in 2021. Gross profit was approximately RMB424.4 million, representing an increase of approximately 23.2% year-on-year. The Group serves the “Chips-Devices-Cloud” ecosystem along the AIoT industrial chain, covering the smart fields of various industries, and brings in sustainable business revenue.

Comtech, a technology services platform for the chip industry, focuses on the application design and distribution of IC chips, while maintaining connections with over 50% of global high-end chip suppliers and many leading domestic chip companies, allowing it to serve over a hundred global high-end chip suppliers upstream, and tens of thousands of electronics manufacturing enterprises downstream. With the popularization of 5G and the support of national policies, the demand for chips will continue to rise, helping the chip business maintain its steady growth trend. From 2020 through 2022, the Group entered into multiple rounds of strategic investment with a series of strategic investors. The investment supports Comtech's rapid development in the trillion-RMB domestic chip market, and will help the Group's core business resume its high growth trajectory. The Group currently holds approximately 66.84% of Comtech, and Comtech will continue to be consolidated into the Group's consolidated financial statements. Moreover, The Group obtained approval from The Hong Kong Stock Exchange Limited (the "**Stock Exchange**") for the spin-off and separate listing of Comtech on A shares in Mainland China (the "**Proposed A Share Listing**"), which will further expand the Group's development in the domestic capital and chip market. As the domestic chip market gains strong support from national policies, Comtech is preparing for the Proposed A Share Listing. After the completion of the Proposed A Share Listing, the Company will remain the ultimate controlling shareholder of Comtech, and its financial results will still be consolidated into the Company, which will facilitate the sustainable growth of the Group's performance. Furthermore, in order to give investors a clearer understanding of the main business of Comtech and the Company, the Company has changed its name from "Cogobuy Group" to "Ingdan, Inc.". The Company has completed its registration of change of name in Hong Kong and change of stock short name and company logo as reflected in the announcement made on July 15, 2022.

Financial institutions continued to favor the Group. During the Reporting Period, Comtech was granted a credit line of RMB300 million by Bank of China Co., Ltd. Shenzhen Branch to support the development of the Group's chip business. The credit extension also shows that financial institutions have confidence in the Group's development potential in the domestic trillion-dollar chip market.

Ingdan focuses primarily on the research and development and sales of its own branded AIoT intelligent hardware products, as well as the data services of its AIoT intelligent hardware products under "Ingdan Cloud". Ingdan customizes the complete application solutions and products of AIoT intelligent hardware for customers, and offers a series of products such as the Harmony Intelligent Battery, and Intelligent Panel and Intelligent Communications modules. Meanwhile, Ingdan Cloud collects, manages, and analyses data on AIoT products, and forming a circular model of "AIoT Products — Data — Analysis" to further support its AIoT data empowerment business.

5G and AI technologies helped accelerate the intelligent transformation of many industries. The continuous widening of application scenarios has made AIoT one of the top fields in global technology development. At the same time, AIoT has come to rely on different technology integrations of iPaaS to achieve intelligent transformation. iPaaS platform services make the design and application of AIoT intelligent hardware products more automated, and cross-application data sharing more convenient. According to Verified Market Research Report, the iPaaS market is expected to reach upwards of US\$23.7 billion in 2028, representing a CAGR of 37.2% from 2021 to 2028. In order to further expand

the iPaaS market, Ingdan launched its own iPaaS platform to provide iPaaS services such as technology integration solutions and marketing solutions to technology suppliers along the AIoT Chips-Devices-Cloud industry chain, deepening its engagement with its five main AIoT verticals: V2X (vehicle-to-everything), Smart Home, Robotics, Smart Manufacturing, and Smart Medical.

In addition to designing and selling AIoT intelligent hardware products, Ingdan's iPaaS platform collects, manages, and analyses data on various intelligent hardware through Ingdan Cloud. In the era of "Big data", global data forecasts are gradually increasing and it is expected that global data volume will reach 175ZB in 2025, the same as the total data available for the ten years from 2010 to 2020. Ingdan will continue to grow its AIoT Chips-Devices-Cloud ecosystem and we plan to develop Ingdan Cloud's AIoT intelligent hardware product data service, building an AIoT data cloud company that will achieve long-term growth in the Group's business.

In the era of the Internet of Everything, information technology and industries are constantly innovating. The OpenHarmony open source technology platform has become an industry ecology and standards to promote information security and the independent and controllable core technology industries in China. The OpenHarmony ecosystem has begun to take shape, with approximately 63 million downloads worldwide, it has become an open source force that cannot be ignored in the field of global smart terminal operating systems. The Group actively participates building the OpenHarmony's industrial ecosystem and the deployment of new OpenHarmony businesses. During the Reporting Period, the Group reached a strategic cooperation with Chinasoft International, actively implanted OpenHarmony into a wide range of AIoT products with ten billion-dollar market opportunities, and will integrate and launch the "OpenHarmony +" solution suite to empower Smart Finance, Smart Cities, and Smart Manufacturing, New energy, V2X and other industries, and further standardize smart hardware and technology applications across various industries. Both parties planned to complete the joint development of OpenHarmony in 2022, and begin to provide services in Suzhou, Yancheng, Tianjin and other cities. Ingdan will be active in introducing OpenHarmony open-source technology to its iPaaS services, to integrate various intelligent hardware products to achieve standardized upgrades.

Future prospects

The Group's goal is to become the world's leading technology integration service platform for the AIoT smart hardware industry, and serves the "Chips-Devices-Cloud" ecosystem along the AIoT industrial chain, covering the smart fields of various industries. The Group strives to serve China's growing AIoT market. We intend to pursue the following growth strategies to achieve our goal:

I. *Capturing opportunities from 5G technologies*

The 5G industry is set to grow rapidly in the coming years, and demand for IC and modules from the industry's upstream and downstream is expected to increase. Our Comtech plans to penetrate the entire 5G industry chain and accommodate the strong market demand created by new 5G infrastructure and device production in the future. Combining its own advantages, Comtech focuses on the application section of the whole chip industry chain to capture the opportunities of 5G and the Internet of Everything development trajectory. In the post-epidemic era, society's dependence

on and demand for the Internet is expected to evolve into a long-term trend. More industries use the Internet to pursue more precise, efficient and stable operation models, and to further promote the development of digitalization and intelligentization. The combination of 5G and emerging technologies will further promote the faster penetration of 5G applications into all walks of life, which will bring new opportunities to the entire technology industry.

China Academy of Information and Communications Technology released the “White Paper on China’s 5G Development and Economic and Social Impact (2022)”, and reported that the development of the digital economy is accelerating, and China ranks second in the world in 2021 with an estimated total market of US\$7.1 trillion, including over 1.8 million 5G base stations and approximately 455 million 5G users. PricewaterhouseCoopers also predicts that the total impact of 5G on China’s economy will reach US\$220 billion in 2023, and the high-speed process of 5G in the future will further multiply the impact of digital technology on economic development. With the development and maturity of 5G technology, the future will enter the era of efficient cloud applications and the Internet of Everything led by AI. Equipment upgrades will drive the demand for IC and AIoT chip solutions. The Group will provide enterprises with chips and related chip solutions through Comtech’s chip industry service platform, while using big data resources and AI technology to design the most comprehensive chip application solutions to capture the business opportunities of domestic 5G transformation.

II. *Enhanced revenue streams from Ingdan*

The Group intends to further strengthen Ingdan’s revenue streams by developing the business into an important iPaaS technology integration platform service provider in the AIoT era, and technology provider serving the AIoT “chip-device-cloud” industry chain, while focusing on five AIoT smart hardware fields: smart cars, smart homes, robotics, smart manufacturing and smart medtech. As an enterprise service platform, the Group acquires a large number of customers, their purchasing demands and data on the online platforms, and provides powerful data analysis tools to provide enterprise services offline. Ingdan provides technical integration support from modules, terminals to the cloud, delivering tailor-made AIoT smart hardware solutions and products for various emerging industries. As Ingdan’s research and development projects becoming more sophisticated, our proprietary products will contribute even more momentum to the Group’s performance. We plan to further enhance the Group’s performance through value-added services, including but not limited to the provision of corporate and technology services, as well as investment services such as incubation programs.

III. *Developing an ecosystem for the electronics manufacturing value chain*

The Group plans to develop an open, collaborative, and prosperous electronic manufacturing industry ecosystem that will benefit the business operations of our customers and suppliers. We believe this will also drive our own long-term business growth. We intend to broaden our platforms’ 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. Additionally, the Group plans to monetize the vast amount of data we collect from our

customers and suppliers, and offer data driven services, which will include marketing and advertising planning, merchandising, product customization, fulfilment management, and third party data services. We believe these complementary services will become natural extensions of the Group's service mix, and will help attract and retain customers.

IV. Further enhance customer loyalty and increase purchases per customer

The Group plans to continue to enhance its customer loyalty and generate more sales from existing customers. We intend to leverage our advanced market analytics tools to make our online and offline platforms more efficient and useful to our customers. By continuously collecting and analyzing our customers' and suppliers' data, the Group will gain a better understanding of their needs, and can deliver customized products according to market trends.

We will also continue to enhance customized content on our platforms and develop new tools for 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, as well as to expand our investment in customer services to further strengthen the effectiveness of our platforms, order fulfilment and delivery capabilities in order to enhance our service reliability and shorten our customer response time. We plan to increase the repeat purchase rates of newly acquired customers, and we will continue to provide the key procurement personnel of our new customers with powerful online tools, enterprise resource planning, and other complementary services. These services will enable us to maintain constant interactive communications with key personnel, which in turn will allow us to better understand customers' demands and their product development. Accordingly, we will be able to create customized marketing plans targeting new customers, while cross-selling other products.

V. Pursuing strategic partnerships and acquisition opportunities

In addition to growing our business through internal initiatives, we continue to look across different segments to enhance our business operations through strategic partnerships and acquisitions. Such partnerships will help us expand our user and revenue base, widen our geographic coverage, enhance our product and service offerings, improve our technology infrastructure, as well as strengthen our talent pool and business advantages. The Group also plans to leverage our market position and business model to seek attractive cross-selling, crossmarketing, and licensing opportunities to enhance the sales ability and seize the market opportunities brought by 5G technology.

First half of 2022 compared to first half of 2021

The following table sets forth the comparative figures for the first half of 2022 and the first half of 2021:

	Unaudited	
	Six months ended	
	June 30,	June 30,
	2022	2021
	<i>(RMB in millions)</i>	
Revenue	4,702.4	3,927.3
Cost of sales	<u>(4,278.0)</u>	<u>(3,582.7)</u>
Gross profit	424.4	344.6
Other income	73.7	4.8
Selling and distribution expenses	(96.3)	(31.8)
Research and development expenses	(92.6)	(61.0)
Administrative and other operating expenses	<u>(85.2)</u>	<u>(84.2)</u>
Profit from operations	224.0	172.4
Finance costs	(29.4)	(23.2)
Gain on deemed disposal of associates	—	32.1
Gain on disposal of subsidiaries	48.9	4.3
Share of results of associates	<u>1.4</u>	<u>5.4</u>
Profit before tax	244.9	191.0
Income tax expenses	<u>(33.0)</u>	<u>(18.6)</u>
Profit for the period	<u>211.9</u>	<u>172.4</u>
Profit for the period attributable to:		
Owners of the Company	131.7	110.5
Non-controlling interests	<u>80.2</u>	<u>61.9</u>
Profit for the period	<u>211.9</u>	<u>172.4</u>

1. Overview

For the Reporting Period, profit of the Group increased and amounted to approximately RMB211.9 million, representing an increase of approximately RMB39.5 million as compared with approximately RMB172.4 million for the corresponding period of 2021. Profit attributable to owners of the Company amounted to approximately RMB131.7 million, representing an increase of approximately RMB21.2 million compared with approximately RMB110.5 million for the corresponding period of 2021.

2. Revenue

For the Reporting Period, revenue of the Group amounted to approximately RMB4,702.4 million, representing an increase of approximately RMB775.1 million or approximately 19.7% as compared with approximately RMB3,927.3 million for the corresponding period of 2021. The increase was primarily due to the continuously boosted demand for chips under the accelerated development of industrial digitization and domestic 5G construction, benefiting from the expansion of the industrial chip market, especially driven by the surge in demand for power battery chips, which enabled the Group's revenue benefit from significant growth and support during the first half of 2022.

3. Cost of Sales

Cost of sales for the Reporting Period was approximately RMB4,278.0 million, representing an increase of approximately 19.4% from approximately RMB3,582.7 million for the six months ended June 30, 2021. The increase was due to an increase in revenue described under the paragraph headed "Revenue".

4. Gross Profit

Gross profit for the Reporting Period was approximately RMB424.4 million, representing an increase of approximately 23.2% from approximately RMB344.6 million for the six months ended June 30, 2021. The increase was primarily driven by the results of revenue and cost of sales for the reasons described under the paragraph headed "Revenue". The increase in gross margin from 8.8% for the six months ended June 30, 2021 to 9.0% for the corresponding period of 2022 was contributed by change in sales mix in which sales of proprietary products in Ingdan, and revenue from development of customized technical solutions for V2X and 5G applications, etc. had a relatively higher gross profit margin than those of IC components.

5. Other Income

For the Reporting Period, other income of the Group amounted to approximately RMB73.7 million, representing an increase of approximately RMB68.9 million or approximately 1,435.4% as compared with approximately RMB4.8 million for the corresponding period of 2021. This was primarily due to net exchange gain of approximately RMB70.1 million recorded for the six months ended June 30, 2022 as compared to nil recorded in the corresponding period of 2021.

6. Selling and Distribution Expenses

Selling and distribution expenses of the Group for the Reporting Period amounted to approximately RMB96.3 million, representing an increase of approximately RMB64.5 million or approximately 202.8% from approximately RMB31.8 million over the corresponding period of 2021. The increase was primarily due to loss allowance on trade receivables of approximately RMB37.1 million recorded for the first half of 2022 as compared to approximately RMB7.8 million recorded in the corresponding period of 2021. The increase was also contributed by an increase in selling related costs such as marketing and promotion campaigns for new customer acquisition, and logistics and warehousing costs as a result of the increase in product quantities of sales.

7. Research and Development Expenses

For the Reporting Period, research and development expenses of the Group amounted to approximately RMB92.6 million, representing an increase of approximately RMB31.6 million or approximately 51.8% from approximately RMB61.0 million over the corresponding period of 2021. This was primarily due to more expenses spent on the research and development of IC chip distribution and application design, AIoT products and technologies as well as customized technical solutions for proprietary products such as V2X and 5G applications.

8. Administrative and Other Operating Expenses

Administrative and other operating expenses for the Reporting Period were approximately RMB85.2 million, representing an increase of approximately RMB1.0 million or approximately 1.2% from approximately RMB84.2 million over the corresponding period of 2021.

9. Income Tax Expenses

Our income tax expenses increased by approximately RMB14.4 million or 77.4% from approximately RMB18.6 million for the six months ended June 30, 2021 to approximately RMB33.0 million for the Reporting Period, primarily due to an increase in profit from operations as a result of the increased revenue and gross profit. The effective tax rate for the six months ended June 30, 2022 was 13.5%, as compared to 9.7% for the six months ended June 30, 2021. The increase in effective tax rate was mainly due to increased ratio of profits contributed by both Hong Kong and PRC subsidiaries to profits contributed by PRC subsidiaries with tax exemptions. The profits tax rate in Hong Kong is 16.5% while the income tax rate in the PRC is 25%.

10. Profit Attributable to Owners of the Company for the Reporting Period

For the Reporting Period, profit attributable to owners of the Company amounted to approximately RMB131.7 million, representing an increase of approximately RMB21.2 million or approximately 19.2% as compared with approximately RMB110.5 million for the corresponding period of 2021. The increase was primarily due to an increase in profit from operations as a result of increased revenue and gross profit.

11. Liquidity and Source of Funding

As at June 30, 2022, the current assets of the Group amounted to approximately RMB5,021.3 million, which mainly comprised cash and bank balances (including short-term bank deposits and pledged bank deposits), inventories, loan receivables and trade and other receivables, in the amount of approximately RMB988.6 million, RMB2,316.6 million, RMB273.2 million and RMB1,442.8 million, respectively. Current liabilities of the Group amounted to approximately RMB2,396.5 million, of which approximately RMB811.0 million was bank loans and approximately RMB1,279.1 million was trade and other payables. As at June 30, 2022, the current ratio (the current assets to current liabilities ratio) of the Group was 2.10 representing an increase of 4.5% as compared with 2.01 as at December 31, 2021. The change in the current ratio was primarily due to a decrease in trade and other payables and an increase in inventories, offset by a decrease in trade and other receivables.

Pursuant to the subscription agreements entered into on September 10, 2020, September 25, 2020 and October 16, 2020 and June 29, 2021 (together, the “**Subscriptions**”), a redemption right is granted by the Group to each investor. The redemption right constituted a contract that contains an obligation for the Group to repurchase the equity instruments of the subsidiaries of the Group and gives rise to a redemption financial liability recognised at the present value of the redemption price, being RMB551.5 million, and subsequently measured at amortised cost. Further details of the Subscriptions are set out in the announcements of the Company dated September 10, 2020, September 25, 2020, October 16, 2020 and June 29, 2021.

The Group does not have other debt financing obligations as at June 30, 2022 or the date of this interim results announcement and does not have any breaches of financial covenants.

12. Capital Expenditure

For the Reporting Period, the capital expenditure of the Group amounted to approximately RMB0.3 million, representing a decrease of approximately RMB137.4 million or approximately 99.8% compared with approximately RMB137.7 million for the corresponding period in 2021. The decrease in capital expenditure was primarily due to a decrease in purchases of intangible assets for research and development of proprietary products.

13. Net Gearing Ratio

As of June 30, 2022, the net gearing ratio of the Group, which was calculated by dividing net debt (total bank loans, lease liabilities and other financial liabilities minus cash and cash equivalents and pledged deposits) by the sum of net debt and total equity was approximately 8.5% as compared with 9.2% as at December 31, 2021. The decrease was primarily due to an increase in cash and cash equivalents, offset in part by an increase in bank loans, as a result of the increased scale in operations.

14. Significant Investments

The Group did not make or hold any material investments (including any investment in an investee company with a value of 5 per cent or more of the Company's total assets as at June 30, 2022) for the Reporting Period.

15. Material Acquisitions and Disposals

On March 31, 2022, Ingdan Group, Inc. (硬蛋集團有限公司) (a directly wholly-owned subsidiary of the Company formerly known as Cogobuy Group, Inc. (科通芯城集團有限公司), the “**Seller**”) entered into a shares purchase agreement with Liwan Group Limited (力萬集團有限公司) (the “**Purchaser**”) under which the Seller agreed to sell the Sale Shares, representing 70% of the entire issued shares of Comlink Holdings Limited (the “**Target Company**”), to the Purchaser for an aggregate consideration of US\$4.0 million (the “**Shares Purchase Agreement**”). The Target Company is principally engaged in the development of AIoT solutions. Upon Completion of the transaction, the Group will no longer have any interest in the Target Company and the Target Company will cease to be accounted as a subsidiary of the Group.

Further details of the Shares Purchase Agreement are set out in the announcement of the Company dated April 1, 2022.

Save as disclosed, the Group did not have any material acquisitions and disposals during the Reporting Period.

16. Future plans for material investments and capital assets

Shenzhen Comtech Limited (深圳市科通技術股份有限公司) (an indirect subsidiary of the Company, “**Shenzhen Comtech**”) has submitted its listing application to the Shenzhen Stock Exchange for the Proposed A Share Listing on the ChiNext Board of the Shenzhen Stock Exchange on June 28, 2022 and was notified by the Shenzhen Stock Exchange on June 30, 2022 that the application for the Proposed A Share Listing was acknowledged.

As of the date of this announcement, the Proposed Spin-off and the Proposed A Share Listing are subject to, among other things, the approval from the Shenzhen Stock Exchange and the completion of issuance registration procedures with CSRC.

Meanwhile, the announcement of “Updates on the Proposed Spin-off and Separate A-share Listing of Shenzhen Comtech” was disclosed by the Company on the Stock Exchange’s website on June 30, 2022. Further details of the Proposed Spin-off and Separate Listing of Shenzhen Comtech can be referred to the announcements of the Company dated September 30, 2021, and December 7, 2021, and the circular of the Company dated March 9, 2022 in relation to the Proposed Spin-off and the Proposed A-Share Listing of Shenzhen Comtech on a stock exchange in the PRC.

17. Pledge of Assets

Except for the pledged bank deposits of approximately RMB332.5 million and approximately RMB382.0 million as at June 30, 2022 and December 31, 2021, respectively, the Group did not pledge any assets for the Reporting Period. The pledged bank deposits were placed as security for credit facilities granted by several banks in Hong Kong and PRC.

18. Contingent Liabilities

Neither the Group nor the Company had any significant contingent liabilities as at June 30, 2022.

19. 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 (“**RMB**”) are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Condensed consolidated statement of financial position items are translated into RMB 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 RMB, the cumulative amount of the exchange differences relating to that operation with functional currency other than RMB is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

During the Reporting Period, the Group did not use any derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business. The Group's management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

20. Events after the Reporting Period

As stated in the announcement of the Company dated July 15, 2022, the Company has completed its registration of change of name in Hong Kong and change of stock short name and company logo. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on July 6, 2022 confirming the registration of the English name of the Company has been changed from “Cogobuy Group 科通芯城集團” to “Ingdan, Inc. 硬蛋創新” in Hong Kong, and the dual foreign name in Chinese of the Company has been changed from “科通芯城集團” to “硬蛋創新” under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Chinese stock short name for trading in the shares of the Company on the Stock Exchange has been changed from “科通芯城” to “硬蛋創新” and the English short name for trading in the shares of the Company on the Stock Exchange has been changed from “COGOBUY” to “INGDAN” with effect from 9:00 a.m. on July 21, 2022. The stock code of the Company remains unchanged as “400”.

The logo of the Company has been changed to reflect the change of company name.

Further, the website of the Company has been changed from “www.cogobuygroup.com” to “www.ingdangroup.com” with effect from June 16, 2022.

For further details of the change of company name, stock short names, logo and company website, please refer to the Company's announcements on June 16, 2022 and July 15, 2022.

INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	4	4,702,383	3,927,305
Cost of sales		<u>(4,278,003)</u>	<u>(3,582,662)</u>
Gross profit		424,380	344,643
Other income		73,715	4,772
Selling and distribution expenses		(96,311)	(31,826)
Research and development expenses		(92,643)	(61,043)
Administrative and other operating expenses		(85,232)	(84,181)
Finance costs		(29,352)	(23,148)
Gain on deemed disposal of associates		—	32,119
Gain on disposal of subsidiaries		48,913	4,275
Share of results of associates		<u>1,411</u>	<u>5,388</u>
Profit before tax		244,881	190,999
Income tax expenses	6	<u>(33,000)</u>	<u>(18,553)</u>
Profit for the period		<u>211,881</u>	<u>172,446</u>
Profit for the period attributable to:			
Owners of the Company		131,691	110,464
Non-controlling interests		<u>80,190</u>	<u>61,982</u>
		<u>211,881</u>	<u>172,446</u>

		Six months ended 30 June	
		2022	2021
<i>Note</i>		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive income (expense) for the period			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translation of financial statements from functional currency to presentation currency	50,714	(44,799)
	Net change in fair value of financial assets at fair value through other comprehensive income	<u>(137,628)</u>	<u>(79,551)</u>
		<u>(86,914)</u>	<u>(124,350)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translation of financial statements of foreign operations	<u>—</u>	<u>(4,050)</u>
		<u>—</u>	<u>(4,050)</u>
	Other comprehensive expense for the period	<u>(86,914)</u>	<u>(128,400)</u>
	Total comprehensive income for the period	<u>124,967</u>	<u>44,046</u>
Total comprehensive income (expense) for the period attributable to:			
	Owners of the Company	35,649	(15,860)
	Non-controlling interests	<u>89,318</u>	<u>59,906</u>
		<u>124,967</u>	<u>44,046</u>
EARNINGS PER SHARE			
	Basic (RMB)	<u>0.095</u>	<u>0.079</u>
	Diluted (RMB)	<u>0.094</u>	<u>0.079</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		As at 30 June 2022	As at 31 December 2021
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current assets			
Plant and equipment		8,015	7,748
Right-of-use assets		42,567	42,267
Intangible assets		881,303	976,854
Goodwill		607,007	607,007
Financial assets at fair value through other comprehensive income		684,809	577,430
Loans receivables	9	269,608	269,239
Interests in associates		24,267	22,855
		<u>2,517,576</u>	<u>2,503,400</u>
Current assets			
Inventories		2,316,572	2,227,666
Trade, bills and other receivables	10	1,442,835	2,326,508
Loans receivables	9	273,209	205,842
Pledged bank deposits		332,500	382,013
Cash and cash equivalents		656,147	137,295
		<u>5,021,263</u>	<u>5,279,324</u>
Current liabilities			
Trade and other payables	11	1,279,076	2,054,583
Lease liabilities		17,627	17,076
Contract liabilities		249,754	106,365
Income tax payables		39,005	47,092
Bank loans		811,017	405,321
		<u>2,396,479</u>	<u>2,630,437</u>
Net current assets		<u>2,624,784</u>	<u>2,648,887</u>
Total assets less current liabilities		<u>5,142,360</u>	<u>5,152,287</u>

		As at 30 June 2022 <i>RMB'000</i> (Unaudited)	As at 31 December 2021 <i>RMB'000</i> (Audited)
Non-current liabilities			
Deferred tax liabilities		45,915	49,181
Other financial liabilities		551,509	531,995
Contract liabilities		2,821	2,821
Lease liabilities		26,154	26,143
		626,399	610,140
Net assets		4,515,961	4,542,147
Capital and reserves			
Share capital	12	1	1
Reserves		4,096,373	4,154,637
		4,096,374	4,154,638
Non-controlling interests		419,587	387,509
		4,515,961	4,542,147

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2022

1. GENERAL INFORMATION

Ingdan, Inc. (Formerly known as “Cogobuy Group”) (the “Company”) is a limited company incorporated on 1 February 2012 in the Cayman Islands under the Companies Law, (Chapter 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 18 July 2014.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is 11/F., Microsoft Comtech Tower, No. 55 Gaoxin South 9th Road, Nanshan District, Shenzhen, the PRC.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company are Envision Global Investments Limited, which was incorporated in the British Virgin Islands (the “BVI”).

The Group was principally engaged in (i) the sales of integrated circuits (“IC”), other electronic components, Artificial Intelligence and Internet of Things (“AIoT”) products and proprietary and semi-conductor products; (ii) commission fees charged to third-party merchants for using the e-commerce marketplaces (“marketplace income”); (iii) provision of software licensing services; and (iv) the provision of supply chain financing services (“IngFin Financing Services”).

The functional currency of the Company and its subsidiaries (collectively referred to as the “Group”) incorporated in Hong Kong is United States dollars (“US\$”) while the functional currency of the subsidiaries established in the PRC are Renminbi (“RMB”). The condensed consolidated interim financial information are presented in RMB for the convenience of users of the condensed consolidated interim financial information as the central management of the Group was located in the PRC.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2022 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared on the historical cost basis except for financial asset at FVTOCI, which are measured at fair value.

The accounting policies used in the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021 except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are effective for the Group’s financial year beginning on 1 January 2022.

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 3	Reference to Conceptual Framework
Amendments to HKAS 16	Property, plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 cycle

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial information.

4. REVENUE

Revenue represents (i) the sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products; (ii) marketplace income; (iii) service revenue from software licensing; and (iv) interest income generated from IngFin Financing Services. An analysis of the Group’s revenue for the period is as follows:

	Six months ended 30 June	
	2022	2021
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers, within the scope of HKFRS 15		
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	4,683,168	3,908,685
— Marketplace income	—	5,220
— Service revenue from software licensing	4,622	4,301
	<u>4,687,790</u>	<u>3,918,206</u>
Revenue from other sources		
— Interest income from IngFin Financing Services	14,593	9,099
	<u>4,702,383</u>	<u>3,927,305</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers by (i) timing of recognition; and (ii) geographical markets, arising from different reporting segments:

	Comtech <i>RMB'000</i>	Ingdan <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2022 (unaudited)			
Revenue from goods and services:			
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	4,066,979	616,189	4,683,168
— Service revenue from software licensing	—	4,622	4,622
	<u>4,066,979</u>	<u>620,811</u>	<u>4,687,790</u>
Timing of revenue recognition:			
— At a point in time	4,066,979	616,189	4,683,168
— Overtime	—	4,622	4,622
	<u>4,066,979</u>	<u>620,811</u>	<u>4,687,790</u>
Geographical markets:			
— The PRC (including Hong Kong)	<u>4,066,979</u>	<u>620,811</u>	<u>4,687,790</u>
	<i>Comtech</i> <i>RMB'000</i>	<i>Ingdan</i> <i>RMB'000</i>	<i>Total</i> <i>RMB'000</i>
For the six months ended 30 June 2021 (unaudited)			
Revenue from goods and services:			
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	3,022,548	886,137	3,908,685
— Marketplace income	—	5,220	5,220
— Service revenue from software licensing	—	4,301	4,301
	<u>3,022,548</u>	<u>895,658</u>	<u>3,918,206</u>
Timing of revenue recognition:			
— At a point in time	3,022,548	891,357	3,913,905
— Overtime	—	4,301	4,301
	<u>3,022,548</u>	<u>895,658</u>	<u>3,918,206</u>
Geographical markets:			
— The PRC (including Hong Kong)	3,022,548	788,427	3,810,975
— Southeast Asia	—	107,231	107,231
	<u>3,022,548</u>	<u>895,658</u>	<u>3,918,206</u>

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services provided. The executive directors of the Company have chosen to organise the Group around differences in products and services.

In a manner consistent with the way in which information is reported internally to the Group’s CODM for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments:

- Comtech: Sales of IC, other electronic components and AIoT products
- Ingdan: Sales of proprietary and semi-conductor products, Ingfin Financing Services, marketplace operation, software licensing and incubator business

Operating segments in Comtech and Ingdan, as identified by the CODM, are managed separately because each business required different expertise and marketing strategies.

Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable segments.

For the six months ended 30 June 2022

	Comtech <i>RMB’000</i> (Unaudited)	Ingdan <i>RMB’000</i> (Unaudited)	Total <i>RMB’000</i> (Unaudited)
Revenue			
— External revenue	4,066,979	635,404	4,702,383
— Inter-segment revenue	<u>25,809</u>	<u>16,110</u>	<u>41,919</u>
Segment revenue	<u><u>4,092,788</u></u>	<u><u>651,514</u></u>	
Eliminations			<u>(41,919)</u>
Group revenue			<u><u>4,702,383</u></u>
Segment profit	<u><u>216,486</u></u>	<u><u>67,353</u></u>	283,839
Unallocated income			933
Unallocated corporate expenses			(82,891)
Unallocated finance costs			(7,324)
Gain on disposal of subsidiaries			48,913
Share of results of associates			<u>1,411</u>
Profit before tax			<u><u>244,881</u></u>

For the six months ended 30 June 2021

	Comtech <i>RMB'000</i> (Unaudited)	Ingdan <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenue			
— External revenue	3,022,548	904,757	3,927,305
— Inter-segment revenue	<u>233,108</u>	<u>15,446</u>	<u>248,554</u>
Segment revenue	<u>3,255,656</u>	<u>920,203</u>	4,175,859
Eliminations			<u>(248,554)</u>
Group revenue			<u>3,927,305</u>
Segment profit	<u>190,904</u>	<u>37,393</u>	228,297
Unallocated income			4,772
Unallocated corporate expenses			(56,429)
Unallocated finance costs			(23,148)
Gain on deemed disposal of associates			32,119
Share of results of associates			<u>5,388</u>
Profit before tax			<u>190,999</u>

The accounting policies of the operating segments are the same with the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of certain other income, central administrative and other operating expenses, finance costs, gain on deemed disposal of associates, gain on disposal of subsidiaries and share of results of associates. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

6. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
— PRC Enterprises Income Tax	22,921	6,709
— Hong Kong Profits Tax	13,346	14,524
— Other jurisdictions	—	587
	<u>36,267</u>	<u>21,820</u>
Deferred taxation	<u>(3,267)</u>	<u>(3,267)</u>
	<u><u>33,000</u></u>	<u><u>18,553</u></u>

7. DIVIDENDS

No dividend was paid, declared or proposed during the six months ended 30 June 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the period attributable to owners of the Company	<u><u>131,691</u></u>	<u><u>110,464</u></u>

For the six months ended 30 June

2022	2021
<i>'000</i>	<i>'000</i>
(Unaudited)	(Unaudited)

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share	1,393,249	1,395,714
Effect of dilutive potential ordinary shares:		
RSU	<u>3,881</u>	<u>5,670</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,397,130</u>	<u>1,401,384</u>

9. LOANS RECEIVABLES

	At 30 June 2022 <i>RMB'000</i> (Unaudited)	At 31 December 2021 <i>RMB'000</i> (Audited)
Analysed for reporting purpose:		
— Current portion	273,209	205,842
— Non-current portion	<u>269,608</u>	<u>269,239</u>
	<u>542,817</u>	<u>475,081</u>

The following is an ageing analysis of loans receivables, presented based on their drawdown dates:

	At 30 June 2022 <i>RMB'000</i> (Unaudited)	At 31 December 2021 <i>RMB'000</i> (Audited)
Within 3 months	132,931	—
3 to 6 months	—	205,842
6 months to 1 year	201,937	—
Over 1 year	<u>207,949</u>	<u>269,239</u>
	<u>542,817</u>	<u>475,081</u>

10. TRADE, BILLS AND OTHER RECEIVABLES

The Group allows credit period ranging from 30 to 120 days (31 December 2021: 30 to 120 days) from the date of billing. The following is an ageing analysis of trade and bills receivables, net of loss allowance on trade receivables, presented based on dates of delivery of goods or rendering services, which approximates the respective revenue recognition dates, at the end of each reporting period.

	At 30 June 2022 <i>RMB'000</i> (Unaudited)	At 31 December 2021 <i>RMB'000</i> (Audited)
Within 1 month	988,415	1,652,347
1 to 2 months	25,886	351,572
2 to 3 months	1,432	102,189
Over 3 months	<u>21,618</u>	<u>28,748</u>
	<u><u>1,037,351</u></u>	<u><u>2,134,856</u></u>

11. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	At 30 June 2022 <i>RMB'000</i> (Unaudited)	At 31 December 2021 <i>RMB'000</i> (Audited)
Within 1 month	1,057,142	1,624,877
1 to 3 months	62,774	307,722
Over 3 months	<u>49,324</u>	<u>57,407</u>
	<u><u>1,169,240</u></u>	<u><u>1,990,006</u></u>

The average credit period granted is 30 days (31 December 2021: 30 days). The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

12. SHARE CAPITAL

	Number of shares	Amount in original currency <i>US\$</i>	Shown in the condensed consolidated interim financial information <i>RMB'000</i>
Ordinary shares of US\$0.0000001 each			
Authorised:			
At 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022	<u>500,000,000,000</u>	<u>50,000</u>	<u>N/A</u>
Issued and fully paid:			
At 1 January 2021, 31 December 2021 and 1 January 2022 (audited)	1,416,184,732	142	1
Cancellation of repurchased shares (note (i))	<u>(11,850,000)</u>	<u>(2)</u>	<u>—</u>
At 30 June 2022	<u>1,404,334,732</u>	<u>140</u>	<u>1</u>

Notes:

- (i) During the six months ended 30 June 2022, the Company repurchased its own shares through the Stock Exchange as follows:

Month	Number of ordinary shares of US\$0.0000001 each	Price per share		Aggregate amount paid <i>HK\$'000</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
April 2022	2,627,000	2.15	1.96	5,369
May 2022	5,805,000	2.42	2.15	13,099
June 2022	3,257,000	2.35	2.15	7,313
January 2022	<u>3,418,000</u>	2.45	2.29	<u>8,151</u>
	<u>15,107,000</u>			<u>33,932</u>

During the period ended 30 June 2022, 15,107,000 shares were repurchased, of which 11,850,000 shares were cancelled during the six months ended 30 June 2022 and the remaining 3,257,000 shares were cancelled after the end of the reporting period. The issued share capital of the Company was reduced by the nominal value of US\$1.19. Pursuant to section 37(4) of the Companies Law of the Cayman Islands, the nominal value of the shares cancelled of US\$1.19 (equivalent to RMB7.72) was transferred from the share capital to the share premium. The premium paid on the repurchase of the shares of HK\$34,065,000, equivalent to approximately RMB31,079,000, was charged to share premium.

There were no shares repurchased for cancellation during the year ended 31 December 2021.

- (ii) No shares were repurchased through the Stock Exchange and deposited under RSU Scheme trustee during the six months ended 30 June 2022 and year ended 31 December 2021.
- (iii) For the six month ended 30 June 2022, 980,002 units of RSUs (year ended 31 December 2021: 3,185,003) were vested to the beneficiaries, and approximately RMB1,261,000 (year ended 31 December 2021: RMB5,619,000) were credited to the shares held for the RSU Scheme.

The remaining shares are held on trust by the RSU Scheme trustee until their release to the beneficiaries upon the vesting of the RSUs.

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 applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules came into effect on January 1, 2022, save and except for code provisions C.2.1 and D.1.2 of the CG Code as explained below during the Reporting Period.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate 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 circumstances of the Group as a whole.

Pursuant to code provision D.1.2 of the CG Code, management should provide all members of the board with monthly updates, giving a balanced and understandable assessment of the issuer's performance, position, and prospects in sufficient details to enable the board as a whole and each director to discharge their duties. During the Reporting Period, although the management of the Company did not provide a regular monthly update to the members of the Board, the management has provided to the Board on quarterly basis and when appropriate, the updated business information of the Group to keep all Directors abreast of the performance, position and prospects of the Group and to enable them to discharge their duties.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ending December 31, 2022.

The requirements under the CG Code would apply to corporate governance reports for financial year commencing on or after January 1, 2022. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the latest measures and standards set out in the CG Code, and to maintain a high standard of corporate governance practices of the Company.

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, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code for the Reporting Period and up 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 C.1.3 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 (the “**Audit Committee**”) with written terms of reference 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 the risk management and internal control systems 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. Hao Chunyi, Charlie, Mr. Ye Xin and Dr. Ma Qiyuan, all being independent non-executive Directors. Mr. Hao Chunyi, Charlie is the chairman of the Audit Committee.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended June 30, 2022 have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, by the Company’s auditor, SHINEWING (HK) CPA Limited. The interim financial report of the Group for the Reporting Period is unaudited but has been reviewed by the Audit Committee.

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, 2022, the Company repurchased 15,107,000 shares on the Hong Kong Stock Exchange for an aggregate consideration of approximately HK\$33.9 million before expenses. The repurchased shares were subsequently cancelled. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follows:

Month of purchase	No. of shares purchased	Purchase consideration per Share		Aggregate consideration paid HK\$
		Highest price paid HK\$	Lowest price paid HK\$	
January 2022	3,418,000	2.45	2.29	8,151,320
April 2022	2,627,000	2.15	1.96	5,368,580
May 2022	5,805,000	2.42	2.15	13,099,030
June 2022	<u>3,257,000</u>	2.35	2.15	<u>7,312,730</u>
Total	<u>15,107,000</u>			<u>33,931,660</u>

Save as disclosed in the announcement, during the six months ended June 30, 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Hong Kong Stock Exchange.

MATERIAL LITIGATION

As of June 30, 2022, the Company was not involved in any material litigation or arbitration. Nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period. (six months ended June 30, 2021: nil)

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.ingdangroup.com. The interim report of the Company for the Reporting Period 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
Ingdan, Inc.
KANG Jingwei, Jeffrey
*Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, August 31, 2022

As at the date of this announcement, the executive Directors are Mr. KANG Jingwei, Jeffrey, Mr. WU Lun Cheung Allen and Ms. GUO Lihua; and the independent non-executive Directors are Mr. YE Xin, Dr. MA Qiyuan and Mr. HAO Chunyi, Charlie.