

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Ingdan Inc. (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2022 (the “**Reporting Period**”) and comparison with the operating results for the year ended December 31, 2021.

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

	Year ended		Year-on-year change
	December 31, 2022	December 31, 2021	
	<i>(Renminbi (“RMB”) in millions, unless specified)</i>		
Revenue	<b>9,535.5</b>	9,452.4	0.9%
Gross profit	<b>1,113.3</b>	933.4	19.3%
Profit for the year	<b>452.4</b>	412.4	9.7%
Profit attributable to equity shareholders of the Company	<b>314.4</b>	296.2	6.2%
Earnings per share (RMB per share)			
— basic	<b>0.224</b>	0.213	5.2%
— diluted	<b>0.224</b>	0.213	5.2%

## BUSINESS REVIEW AND OUTLOOK

### Overall Business and Financial Performance of the Group

We are an iPaaS (Integration Platform as a Service) technology services platform serving the global integrated circuit (“**IC**”) industry and Artificial Intelligence of Things (“**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.

In 2022, the rapid innovation of artificial intelligent (“**AI**”) drove the digitalization of industries at a high pace, leading to a further increase in the demand for chips. With surging growth in new economy industries such as Smart Vehicles, New Energy and Digital Infrastructure, demand for the Group’s industrial chips was particularly strong, thus driving the Group’s overall performance and maintaining its growth momentum. As of December 31, 2022, the Group generated a revenue of approximately RMB9,535.5 million, as compared to approximately RMB9,452.4 million for the corresponding period in 2021, representing an increase of approximately 0.9% year-on year. The Group recorded an increase of 9.7% in net profit after tax as compared to the corresponding period in 2021. Gross profit was approximately RMB1,113.3 million, representing an increase of approximately 19.3% year-on-year.

Comtech, a technology services platform for the chip industry, focuses on the application design and distribution of IC chips. It covers over 50% of global major high-end chip suppliers and many leading domestic chip makers upstream; as well as tens of thousands of enterprises in five major fields, including smart vehicles, digital infrastructure, industrial interconnection, energy control and big consumption downstream. <sup>1</sup>According to the latest data released by the Semiconductor Industry Association, China remained the largest individual market for semiconductors, with a total sales of US\$180.4 billion in 2022. As China elevated semiconductor development to a national strategic level, various policies have been issued to support the development of the chip industry, creating a favorable environment and significant opportunities for the Comtech's development, facilitating the sustainable growth of its chip business. 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 continue its high growth trajectory. The Group currently holds approximately 66.84% of Shenzhen Comtech Limited ("**Shenzhen Comtech**"), and Shenzhen Comtech will continue to be consolidated into the Group's consolidated financial statements.

Moreover, the Group obtained approval from the Stock Exchange for the spin-off and separate listing of Shenzhen Comtech on A shares market in Mainland China (the "**Proposed A Share Listing**"), which will further expand the Group's development in the domestic capital and chip markets. As the domestic chip market gains strong support from national policies, Shenzhen 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 Shenzhen 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 Shenzhen 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 of the Company dated July 15, 2022.

Financial data of Comtech referred to in this announcement is based on the independently managed business segment identified and allocated by the Company, and may not be equivalent to those of Shenzhen Comtech for the Proposed A Share Listing.

Financial institutions continued to favor the Group's chip business. As at December 31, 2022, Comtech has been granted credit facilities by 15 prominent banks in China and Hong Kong to support the development of its chip business. The credit extension also shows that financial institutions have confidence in Comtech's development potential in the domestic trillion-dollar chip market.

<sup>1</sup> Global Semiconductor Sales Increase 3.3% in 2022 Despite Second-Half Slowdown <https://www.semiconductors.org/global-semiconductor-sales-increase-3-2-in-2022-despite-second-half-slowdown/>

Ingdan focuses primarily on the development of smart batteries for new energy. By utilizing smart control and management system, Ingdan effectively enhances the efficiency and recyclability of batteries, in order to achieve a smart transformation of batteries. Meanwhile, it also actively develops and sells smart hardware products under its own brand and customizes comprehensive applications and products for AIoT smart hardware for customers. Ingdan also supports the development of the data services under “Ingdan Cloud”. Under driving force of AI, the global data volume is doubling year by year. Leveraging on “Ingdan Cloud”, Ingdan collects, manages, and analyses data on AIoT products, forming a circular model of “AIoT Products — Data — Analysis” to further support its AIoT data empowerment business. Ingdan will utilize the big data of “Ingdan Cloud” to grasp new opportunities brought by the rapid development of the big data market and work towards becoming an AIoT data cloud enterprise, in order to achieve long-term growth of the Group’s business.

As rapid development of AI technologies accelerated the digitalization of various industries, the demand for technology integrations of iPaaS derived from AIoT also increased. According to “Hype Cycle for Cloud Platform Services, 2022” released by Gartner, an international authoritative IT research and consulting organization, iPaaS has covered 20% to 50% enterprises worldwide, gradually progressing towards extensive usage. The report estimated that in 2022, the total expense of iPaaS end-user worldwide will reach US\$5.6 billion, representing an increase of 18.5% from 2021.<sup>2</sup> In order to further grasp the vast opportunities in iPaaS market, Ingdan launched its own iPaaS platform to provide iPaaS services such as technology integration solutions and marketing solutions to core technology suppliers along the AIoT Chips-Devices-Cloud industry chain, deepening its engagement with five main AIoT Smart hardware fields: V2X (vehicle-to-everything), Smart Home, Robotics, Smart Manufacturing, and Smart Medical.

As the technology of Internet of Things becomes more mature, information technology and industry innovation have been ongoing constantly. 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. According to the official 2022 OpenHarmony Annual Operation Report, OpenHarmony owns 27 industry-specific software distributions, covering industries such as education, finance, smart home, transportation, digital government and industry.<sup>3</sup> With 113 million downloads worldwide, OpenHarmony has become an essential force in the field of global smart terminal operating systems.<sup>4</sup> The Group also actively participates in building the OpenHarmony’s industrial ecosystem and the deployment of new OpenHarmony businesses. During the year, the Group formed a strategic cooperation with Chinasoft International, actively implanted OpenHarmony into a wide range of AIoT products with ten billion-dollar market opportunities. The Group will integrate and

<sup>2</sup> <https://www.gartner.com/en/newsroom/press-releases/2022-08-04-cloud-platform-hc-press-release>

<sup>3</sup> 2022 OpenHarmony Annual Operation Report (2022 OpenHarmony年度運營報告)  
[https://mp.weixin.qq.com/s/8KYH\\_qh2kQA5jVlrxhk4gg](https://mp.weixin.qq.com/s/8KYH_qh2kQA5jVlrxhk4gg)

<sup>4</sup> Empowering digitalization of industries, OpenHarmony will reveal its ecological achievement in HDC2022 (賦能千行百業數字化轉型, OpenHarmony生態成果即將亮相HDC2022)  
<https://baijiahao.baidu.com/s?id=1747921992089490128&wfr=spider&for=pc>

launch the “OpenHarmony +” solution suite to empower Smart Finance, Smart Cities, Smart Manufacturing, New energy, V2X and other industries, and further standardize smart hardware and technology applications across various industries. Both parties are committed to developing the OpenHarmony collaborative innovation platform to form a comprehensive technical service capability for future implementation. 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, using the Group’s “Comtech + Ingdan” business model to form an AIoT “chip, device, cloud” closed loop of the smart hardware industry. The Group strives to serve China’s growing AIoT market. We intend to pursue the following growth strategies to achieve our goal:

### **I. *Capturing the valuable business opportunities empowered by AI***

The AI market continues to expand as the digitalization of the industry continues, and the coming years are expected to become the golden era of rapid AI transformation. The demand for chip applications, smart hardware and big data from various industries will continue to rise. According to the “Worldwide Artificial Intelligence Spending Guide” published by the market research firm, International Data Corporation (“IDC”) in March 2023, the worldwide AI spending (including software, hardware and services of AI-based systems) is expected to reach US\$154 billion by 2023, representing a year-on-year increase of 26.9%, and that AI-related industry spending is expected to exceed US\$300 billion in 2026.<sup>5</sup> In the first half of 2022 alone, the overall size of the AI market in China has already reached US\$2.3 billion.<sup>6</sup> Thus, with the support of new economy, smart cities, digitalization, metaverse and AIGC concepts, AI will further accelerate the integration and innovation with the real economy in the future, and is expected to drive the next generation of technological innovation, bringing new opportunities to various industries.

To strengthen China’s global competitiveness, the 20th National Congress Report, the National People’s Congress and the Chinese People’s Political Consultative Conference have all emphasized the need to vigorously develop digital economy and promote new industrialization, so as to accelerate the construction of “Digital China”. AI, as the core technology for the new round of technological and industrial reforms, has significant impact on economic development and social progress. Thus, formulating AI strategies has become a major development trend for the future. The Group believes equipment upgrades driven by AI will drive the demand for chips and chip applications.

<sup>5</sup> Worldwide Spending on AI -Centric Systems Forecast to Reach \$154 Billion in 2023, According to IDC <https://www.idc.com/getdoc.jsp?containerId=prUS50454123>

<sup>6</sup> IDC: Embracing the Future and Moving Forward — China’s Artificial Intelligence Market Share in the First Half of 2022 (IDC：迎接未來，砥礪前行—2022上半年中國人工智能市場份額發佈) <https://www.idc.com/getdoc.jsp?containerId=prCHC49990323>

The Group intends to leverage its industry strengths to capture the golden opportunities empowered by AI through Comtech and Ingdan’s coverage along the AI industry chain. Comtech, as a technology service platform in the chip industry, will continue to develop and enhance chip application designs to meet the demand for high performance chips for AI applications; at the same time, the “Ingdan Cloud” under Ingdan can leverage its big data analysis capability to effectively integrate comprehensive AIoT smart hardware application solutions and products, accelerating the launch of AI products. The Group will continue to upgrade its service platform to fully cover the entire AI industry chain and seize the business opportunities of the domestic smart transformation.

## **II. *Enhancing 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 vehicles, smart homes, robotics, smart manufacturing and smart medical. 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. The Group has created a “chip-device-cloud” industrial closed loop to meet the needs of the AI industry chain. “Chip” is to provide, through Comtech, suppliers in upstream of chip industry with application design and distribution services for chips to expand downstream market. Ingdan focuses on “device” and “cloud” services. Using big data resource analysis and mature integration solutions, Ingdan provides technical integration support from modules, terminals to the cloud, delivering tailor-made solutions for various emerging industries. “Chip-device-cloud” industrial closed loop creates synergy, facilitating Ingdan to drive greater contributions to the Group in the future. As Ingdan’s R&D projects becoming more sophisticated, our proprietary products will contribute even more momentum to the Group’s performance. The Group also plans to further enhance the Group’s performance through providing value-added services to customers, 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 enhancing 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 obtain vast market data to make our online and offline platforms more efficient and relevant to our customers. The Group will continue to enhance customized content on our platforms, by continuously collecting and analyzing our customers' data and feedback to gain a better understanding of their needs for services and products, so as to refer suitable products or develop new customized products according to customers' business needs and market trends.

We plan to continue to develop new complementary services aiming to offer a complete range of products and solutions. Accordingly, we invested more resources on customer services, order fulfilment and delivery capabilities in order to enhance our service reliability and shorten our customer response time, further enhance overall performance of our platforms. 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 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 plan to expand our business through strategic partnerships and acquisitions. The Group will continue to look across enterprises in different segments with great potentials for investment, collaboration or acquisition, so as to further enhance our business operations, helping 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. The Group also plans to leverage our market position and business model to seek attractive cross-marketing, and licensing opportunities to enhance the sales ability and seize the market expansion opportunities brought by AI.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

For the year ended December 31, 2022, profit of the Group amounted to approximately RMB452.4 million, representing an increase of approximately RMB40.0 million as compared with approximately RMB412.4 million in 2021. Profit attributable to equity shareholders of the Company amounted to approximately RMB314.4 million, representing an increase of approximately RMB18.2 million compared with approximately RMB296.2 million in 2021.

### Revenue

For the year ended December 31, 2022, revenue of the Group amounted to approximately RMB9,535.5 million, representing an increase of approximately RMB83.1 million or approximately 0.9% as compared with approximately RMB9,452.4 million in 2021. The Group's revenue comprised approximately RMB9,490.4 million of sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products, approximately RMB9.2 million of service revenue from software licensing and approximately RMB35.9 million of revenue from IngFin Financing Services. The increase was primarily due to the continuously boosted demand for chips as artificial intelligent (“AI”) innovated rapidly and drove the progress of industrial digitalization, benefiting from the expansion of the industrial chip market, especially driven by the surge in demand for “new economy” industries such as smart vehicles, new energy, and digital infrastructure, which enabled the Group's revenue benefit from growth and support during 2022.

### Cost of Revenue

Cost of revenue for the year ended December 31, 2022 was approximately RMB8,422.2 million, representing a decrease of approximately 1.1% from approximately RMB8,519.0 million for the year ended December 31, 2021.

### Gross Profit

Gross profit for the year ended December 31, 2022 was approximately RMB1,113.3 million, representing an increase of approximately 19.3% from approximately RMB933.4 million compared with the figures in 2021. The increase was primarily driven by the results of revenue for the reasons described under the paragraph headed “Revenue”. The increase in gross margin from 9.9% for the year ended December 31, 2021 to 11.7% 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.



## **Other Income**

For the year ended December 31, 2022, other revenue of the Group amounted to approximately RMB66.2 million, representing an increase of approximately RMB34.0 million or approximately 105.8% as compared with approximately RMB32.2 million in 2021. This was primarily due to gain on disposal of subsidiaries, net amounting to RMB48.9 million in 2022 as compared to RMB18.9 million in 2021.

## **Selling and Distribution Expenses**

Selling and distribution expenses for the year ended December 31, 2022 amounted to approximately RMB140.7 million, representing an increase of approximately RMB76.9 million or 120.5% from approximately RMB63.8 million in 2021. This was primarily due to 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.

## **Research and Development Expenses**

Research and development expenses for the year ended December 31, 2022 amounted to approximately RMB155.7 million, representing a decrease of approximately RMB0.3 million or approximately 0.2% from approximately RMB156.0 million in 2021.

## **Administrative and Other Operating Expenses**

During the year ended December 31, 2022, administrative and other operating expenses amounted to approximately RMB299.0 million, representing an increase of approximately RMB61.6 million or approximately 25.9% from approximately RMB237.4 million in 2021, which was primarily due to an increase in amortization of intangible assets in 2022 as compared to that in 2021.

## **Income Tax**

Our income tax increased by approximately 33.3% from approximately RMB47.6 million for the year ended December 31, 2021 to approximately RMB63.5 million for the year ended December 31, 2022, 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 year ended December 31, 2022 was 12.3%, as compared to 10.4% for the year ended December 31, 2021. The increase 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%.

## **Profit Attributable to Equity Shareholders of the Company for the Reporting Period**

For the year ended December 31, 2022, profit attributable to equity shareholders of the Company amounted to approximately RMB314.4 million, representing an increase of approximately RMB18.2 million or approximately 6.2% as compared to approximately RMB296.2 million in 2021. The increase

was primarily due to an increase in profit from operations as a result of increased revenue and gross profit, and offset in part by an increase in non-controlling interests of approximately RMB21.8 million recorded for the year ended December 31, 2022 as compared to the corresponding period of 2021.

### **Liquidity and Source of Funding**

As of December 31, 2022, the current assets of the Group amounted to approximately RMB6,423.3 million, which mainly comprised cash and bank balances (including pledged deposits), inventories and trade and other receivables, in the amount of approximately RMB867.0 million, RMB4,080.5 million and approximately RMB1,469.8 million, respectively. Current liabilities of the Group amounted to approximately RMB4,621.0 million, of which approximately RMB888.1 million was bank loans and approximately RMB3,423.9 million was trade and other payables. As of December 31, 2022, the current ratio (the current assets to current liabilities ratio) of the Group was 1.39, representing decrease of approximately 30.8% as compared with 2.01 as of December 31, 2021. The change in the current ratio was primarily due to an increase in inventories, offset by an increase in trade and other payables. The increase in inventories, trade and other payables was resulted from more purchases of goods made in the second half of 2022 to cope with expected sales demand in 2023.

Pursuant to the subscription agreements entered into on September 10, 2020, September 25, 2020, 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 RMB571.3 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 of December 31, 2022 or the date of this annual results announcement and does not have any breaches of financial covenants.

### **Capital Expenditure**

For the year ended December 31, 2022, the capital expenditure of the Group amounted to approximately RMB270.5 million, representing an increase of approximately RMB132.8 million or approximately 96.4% compared with approximately RMB137.7 million in 2021. The increase in the capital expenditure was primarily due to an increase in purchases of intangible assets for R&D of proprietary products.

### **Net Gearing Ratio**

As of December 31, 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 12.3% as compared with approximately 9.2% as of December 31, 2021. The increase was primarily due to an increase in bank loans during the Reporting Period.

## Significant Investments

The Group did not make any significant investments for the year ended December 31, 2022.

## 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 March 31, 2022 and the supplemental announcement of the Company dated April 4, 2022.

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

## Future Plans for Material Investments and Capital Assets

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 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 titled “Updates on the Progress of the Proposed Spin-off and Separate A-share Listing of Comtech” was published by the Company on the Stock Exchange’s website on June 30, 2022. Further details of the Proposed A Share Listing 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 10, 2022 in relation to the Proposed Spin-off and the Proposed A-Share Listing of Shenzhen Comtech on a stock exchange in the People’s Republic of China (the “**PRC**”).

## **Employees and Remuneration Policies**

As at December 31, 2022, the Group had 568 employees (2021: 532), of which 19 employees worked part-time (2021: 25). The number of employees employed by the Group varies from time to time depending on need. Employee remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from pension funds, in-house training programs, discretionary bonuses, medical insurance and mandatory provident fund, share awards may be granted to employees according to the assessment of individual performance.

Compensation of key executives of the Group is determined by the Company's remuneration committee which reviews and determines executives' compensation based on the Group's performance and the executives' respective contributions to the Group.

The Company also has a restricted share units scheme, of which the Directors, executive officers, senior managers and employees of the Company and its subsidiaries are eligible participants.

The total remuneration cost incurred by the Group for the year ended December 31, 2022 was approximately RMB195.7 million (2021: RMB186.7 million).

## **Pledge of Assets**

Except for the pledged bank deposits of approximately RMB190.5 million and approximately RMB382.0 million as of December 31, 2022 and December 31, 2021, respectively, the Group did not pledge any assets for the year ended December 31, 2022. The pledged bank deposits were placed as security for credit facilities granted by several banks in Hong Kong and PRC.

## **Contingent Liabilities**

Neither the Group nor the Company had any significant contingent liabilities as of December 31, 2022.

## **Foreign Exchange Exposure**

Foreign currency transactions during the year ended December 31, 2022 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 as at December 31, 2022. Exchange gains and losses are recognized as 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 when the fair value was determined.

The results of operations with functional currency other than RMB are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Consolidated statements of financial position items are translated into RMB at the closing foreign exchange rates as at December 31, 2021. 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 year ended December 31, 2022, 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.

### **Events After the Reporting Period**

As disclosed in the announcement of the Company dated January 10, 2023, Shenzhen Comtech and Shenzhen SDMC Technology Co., Ltd (深圳市華曦達科技股份有限公司) (“SDMC”, together with Shenzhen Comtech, the “Parties”) have jointly participated in a tender for the land use right and won the bid on January 10, 2023 and on the same day, entered into a letter of confirmation (成交確認書) with Shenzhen Trading Group Co., Ltd. — Land Mining Rights Business Branch (深圳交易集團有限公司土地礦業權業務分公司) and a land use right agreement (深圳市國有建設用地使用權出讓合同) together with the Shenzhen Municipal Bureau of Planning and Natural Resources Baoan Administration (深圳市規劃和自然資源局寶安管理局) to finalize the purchase of the land use right to a plot of land located at Xin'an Street, Bao'an District, Shenzhen, China (中國深圳市寶安區新安街道) with a land site area of 10,302.25 square meters (“Land”) for a term of 30 years at an aggregate consideration of RMB129.0 million (the “Purchase of Land Use Right”).

For further details of the Purchase of Land Use Right, please refer to the announcement of the Company dated January 10, 2023.

Save as disclosed in this announcement, there was no other significant events that might affect the Group since the end of the year ended December 31, 2022.

## FINANCIAL INFORMATION

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	<b>9,535,519</b>	9,452,436
Cost of sales		<u>(8,422,214)</u>	<u>(8,519,059)</u>
Gross profit		<b>1,113,305</b>	933,377
Other income, gains and losses	5	<b>66,163</b>	32,151
Selling and distribution expenses		<b>(140,725)</b>	(63,824)
Research and development expenses		<b>(155,691)</b>	(155,956)
Administrative and other operating expenses		<b>(298,960)</b>	(237,421)
Finance costs	6	<b>(67,746)</b>	(47,303)
Share of results of associates		<u>(451)</u>	<u>(1,027)</u>
Profit before tax		<b>515,895</b>	459,997
Income tax expenses	7	<u>(63,475)</u>	<u>(47,612)</u>
Profit for the year		<u><b>452,420</b></u>	<u>412,385</u>
<b>Profit for the year attributable to:</b>			
Owners of the Company		<b>314,414</b>	296,151
Non-controlling interests		<u><b>138,006</b></u>	<u>116,234</u>
		<u><b>452,420</b></u>	<u>412,385</u>



	<i>Notes</i>	<b>2022</b> <b>RMB'000</b>	2021 RMB'000
<b>Other comprehensive expense</b>			
<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		(71,961)	(50,930)
Net change in fair value of equity investments at fair value through other comprehensive income		<u>(283,395)</u>	<u>(12,797)</u>
		<u>(355,356)</u>	<u>(63,727)</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>(27,281)</u>	<u>(47,446)</u>
		<u>(27,281)</u>	<u>(47,446)</u>
Other comprehensive expense for the year		<u>(382,637)</u>	<u>(111,173)</u>
Total comprehensive income for the year		<u><b>69,783</b></u>	<u>301,212</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		(725)	225,058
Non-controlling interests		<u>70,508</u>	<u>76,154</u>
		<u><b>69,783</b></u>	<u>301,212</u>
<b>EARNINGS PER SHARE</b>			
Basic (RMB)	9	<u><b>0.224</b></u>	<u>0.213</u>
Diluted (RMB)		<u><b>0.224</b></u>	<u>0.213</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	<b>2022</b> <b>RMB'000</b>	2021 <b>RMB'000</b>
<b>Non-current assets</b>			
Plant and equipment		<b>8,306</b>	7,748
Right-of-use assets		<b>29,549</b>	42,267
Investment properties		<b>237,653</b>	—
Intangible assets		<b>1,027,026</b>	976,854
Goodwill		<b>607,007</b>	607,007
Financial assets at fair value through other comprehensive income		<b>646,024</b>	577,430
Loans receivables	<i>11</i>	<b>704,002</b>	269,239
Interests in associates		<b>22,404</b>	22,855
Interest in a joint venture		<u>—</u>	<u>—</u>
		<b><u>3,281,971</u></b>	<b><u>2,503,400</u></b>
<b>Current assets</b>			
Inventories		<b>4,080,543</b>	2,227,666
Trade, bills and other receivables	<i>10</i>	<b>1,469,767</b>	2,326,508
Loan receivables	<i>11</i>	—	205,842
Financial assets at fair value through other profit or loss		<b>6,000</b>	—
Pledged bank deposits		<b>190,539</b>	382,013
Cash and cash equivalents		<b><u>676,419</u></b>	<b><u>137,295</u></b>
		<b><u>6,423,268</u></b>	<b><u>5,279,324</u></b>
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>3,423,946</b>	2,054,583
Lease liabilities		<b>12,555</b>	17,076
Contract liabilities		<b>262,551</b>	106,365
Income tax payables		<b>33,866</b>	47,092
Bank loans		<b><u>888,116</u></b>	<b><u>405,321</u></b>
		<b><u>4,621,034</u></b>	<b><u>2,630,437</u></b>
<b>Net current assets</b>		<b><u>1,802,234</u></b>	<b><u>2,648,887</u></b>
<b>Total assets less current liabilities</b>		<b><u>5,084,205</u></b>	<b><u>5,152,287</u></b>

	<i>Notes</i>	<b>2022</b> <b>RMB'000</b>	2021 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>41,530</b>	49,181
Other financial liabilities		<b>571,347</b>	531,995
Contract liabilities		—	2,821
Lease liabilities		<b>17,976</b>	26,143
		<b>630,853</b>	610,140
Net assets		<b>4,453,352</b>	4,542,147
<b>Capital and reserves</b>			
Share capital	<i>13</i>	<b>1</b>	1
Reserves		<b>4,028,675</b>	4,154,637
		<b>4,028,676</b>	4,154,638
Non-controlling interests		<b>424,676</b>	387,509
Total equity		<b>4,453,352</b>	4,542,147

## 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 Group are Envision Global Investments Limited, which was incorporated in the British Virgin Islands (the “BVI”).

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

The functional currency of the Company and its subsidiaries (hereinafter 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 consolidated financial statements are presented in RMB for the convenience of users of the consolidated financial statements as the central management of the Group was located in the PRC.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning 1 January 2022:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 3	Reference to the 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

Except as described below, the application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

### **Impact on application of Amendment to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021**

In prior year, the Group applied the practical expedient in the Amendment to HKFRS 16, COVID-19-Related Rent Concessions which issued in 2020, such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a

specified time limit. In 2021, a further amendment to HKFRS 16 Covid19-Related Rent Concessions beyond 30 June 2021 (the “2021 Amendment”) has been issued by the HKICPA. The 2021 Amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has adopted the 2021 Amendment in the current year. The amendments did not have significant impact on the financial position and performance of the Group.

### **Impact on application of Amendments to HKAS 16 Property, Plant and Equipment — Proceeds before Intended Use**

The amendments specify that the costs of any item that were produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the relevant property, plant and equipment is functioning properly) and the proceeds from selling such items should be recognised and measured in the profit or loss in accordance with applicable standards. The cost of the items are measured in accordance with HKAS 2 Inventories.

### ***New and amendments to HKFRSs issued but not yet effective***

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective.

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. REVENUE

Revenue represents revenue arising on sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products, marketplace income, service revenue from software licensing and interest income generated from IngFin Financing Services. An analysis of the Group's revenue for the year is as follows:

	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
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	<b>9,490,407</b>	9,405,968
— Marketplace income	—	10,608
— Service revenue from software licensing	<b>9,244</b>	9,244
	<b>9,499,651</b>	9,425,820
Revenue from other sources:		
— Interest income from IngFin Financing Services	<b>35,868</b>	26,616
	<b>9,535,519</b>	9,452,436

During the year ended 31 December 2022, in order to distinguish the business nature and align with the trade name of each reporting segment, the reporting segment “Ingdan Innvoations” has been renamed as “Comtech” while “Ingfin Technologies” has been renamed as “Ingdan”.

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:

	<b>Comtech</b>	<b>Ingdan</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
For the year ended 31 December 2022			
Revenue from goods and services:			
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	<b>8,186,573</b>	1,303,834	9,490,407
— Service revenue from software licensing	—	9,244	9,244
	<b>8,186,573</b>	<b>1,313,078</b>	<b>9,499,651</b>
Timing of revenue recognition:			
— At a point in time	<b>8,186,573</b>	1,303,834	9,490,407
— Over time	—	9,244	9,244
	<b>8,186,573</b>	<b>1,313,078</b>	<b>9,499,651</b>
Geographical markets:			
— The PRC (including Hong Kong)	<b>8,186,573</b>	1,313,078	9,499,651
— Southeast Asia	—	—	—
	<b>8,186,573</b>	<b>1,313,078</b>	<b>9,499,651</b>



	Comtech <i>RMB'000</i>	Ingdan <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended 31 December 2021			
Revenue from goods and services:			
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	7,232,401	2,173,567	9,405,968
— Marketplace income	—	10,608	10,608
— Service revenue from software licensing	—	9,244	9,244
	<u>7,232,401</u>	<u>2,193,419</u>	<u>9,425,820</u>
Timing of revenue recognition:			
— At a point in time	7,232,401	2,184,175	9,416,576
— Over time	—	9,244	9,244
	<u>7,232,401</u>	<u>2,193,419</u>	<u>9,425,820</u>
Geographical markets:			
— The PRC (including Hong Kong)	7,232,401	1,905,234	9,137,635
— Southeast Asia	—	288,185	288,185
	<u>7,232,401</u>	<u>2,193,419</u>	<u>9,425,820</u>

#### 4. 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, have been aggregated in arriving at reportable segments of the Group.

### *Segment revenues and results*

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

*For the year ended 31 December 2022*

	<b>Comtech</b> <i>RMB'000</i>	<b>Ingdan</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
Revenue	8,212,767	1,387,179	9,599,946
Less: Inter-segment sales	<u>(26,194)</u>	<u>(38,233)</u>	<u>(64,427)</u>
Revenue from external customer	<u>8,186,573</u>	<u>1,348,946</u>	<u>9,535,519</u>
Segment profit	<u>497,602</u>	<u>124,362</u>	621,964
Unallocated income			66,163
Unallocated corporate expenses			(104,036)
Unallocated finance costs			(67,746)
Share of results of associates			<u>(451)</u>
Profit before tax			<u>515,894</u>

*For the year ended 31 December 2021*

	<b>Comtech</b> <i>RMB'000</i>	<b>Ingdan</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
Revenue	7,620,487	2,245,831	9,866,318
Less: Inter-segment sales	<u>(388,086)</u>	<u>(25,796)</u>	<u>(413,882)</u>
Revenue from external customer	<u>7,232,401</u>	<u>2,220,035</u>	<u>9,452,436</u>
Segment profit	<u>362,321</u>	<u>152,546</u>	514,867
Unallocated income			32,151
Unallocated corporate expenses			(38,691)
Unallocated finance costs			(47,303)
Share of results of associates			<u>(1,027)</u>
Profit before tax			<u>459,997</u>

The accounting policies of the operating segments are the same as the Group's accounting policies described. Segment profit represents the profit earned by each segment without allocation of central administrative and certain other operating expenses, other income, finance costs, gain on disposal of subsidiaries, loss on disposal of a joint venture 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.

## 5. OTHER INCOME, GAINS AND LOSSES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Bank interest income	5,461	2,998
Gain on disposal of subsidiaries, net	48,913	18,869
Government grants	5,438	8,442
Exchange gain, net	5,901	—
Other	450	1,842
	<u>66,163</u>	<u>32,151</u>

## 6. FINANCE COSTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on other financial liabilities	39,352	40,095
Interests on bank loans	25,644	4,688
Interests on lease liabilities	2,025	1,272
Factoring costs	725	1,248
	<u>67,746</u>	<u>47,303</u>

## 7. INCOME TAX EXPENSES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current tax:		
PRC Enterprises Income Tax	53,897	33,491
Hong Kong Profits Tax	17,229	19,493
	<u>71,126</u>	<u>52,984</u>
Deferred tax	(7,651)	(5,372)
	<u>63,475</u>	<u>47,612</u>

## 8. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2022. Subsequent to the end of the reporting period, the Board proposed a final dividend of HK\$0.04 per share for the year ended 31 December 2022 (2021: nil).

## 9. EARNINGS PER SHARE

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the year attributable to owners of the Company	<u>314,414</u>	<u>296,151</u>
	2022 '000	2021 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,401,033	1,388,591
Effect of dilutive potential ordinary shares:		
Deemed issue of shares under the Company's restricted share unit ("RSU") scheme for nil consideration	<u>4,337</u>	<u>4,857</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	<u>1,405,370</u>	<u>1,393,448</u>

## 10. TRADE, BILLS AND OTHER RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Receivables at amortised cost comprise:		
— Trade receivables	1,022,422	2,225,534
— Bills receivables	<u>29,265</u>	<u>5,080</u>
Trade and bills receivables	1,051,687	2,230,614
Less: loss allowance on trade receivables	<u>(91,632)</u>	<u>(95,758)</u>
	960,055	2,134,856
Loan interest receivables ( <i>note (a)</i> )	28,877	7,144
Trade deposits and prepayments ( <i>note (b)</i> )	444,597	112,396
Other receivables ( <i>note (c)</i> )	<u>36,238</u>	<u>72,112</u>
	<u>1,469,767</u>	<u>2,326,508</u>

The Group allows credit period ranging from 30 to 120 days (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 the dates of delivery of goods or rendering services, which approximates the respective revenue recognition dates, at the end of the reporting period.

	<b>2022</b> <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 month	<b>886,551</b>	1,652,347
1 to 2 months	<b>55,778</b>	351,572
2 to 3 months	<b>6,754</b>	102,189
Over 3 months	<b>10,972</b>	28,748
	<b><u>960,055</u></b>	<b><u>2,134,856</u></b>

#### 11. LOANS RECEIVABLES

The following is a maturity profile of loans receivables, presented based on their contractual or renewed maturity dates:

	<b>2022</b> <i>RMB'000</i>	2021 <i>RMB'000</i>
3 to 6 months	—	205,842
Over 1 year	<b>704,002</b>	269,239
	<b><u>704,002</u></b>	<b><u>475,081</u></b>

#### 12. TRADE AND OTHER PAYABLES

	<b>2022</b> <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables	<b>3,353,641</b>	1,990,006
Accrued staff costs	<b>31,958</b>	42,556
Other payables	<b>38,347</b>	22,021
	<b><u>3,423,946</u></b>	<b><u>2,054,583</u></b>

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

	<b>2022</b>	2021
	<b>RMB'000</b>	<b>RMB'000</b>
Within 1 month	<b>2,620,111</b>	1,624,877
1 to 3 months	<b>406,842</b>	307,722
Over 3 months	<b>326,688</b>	57,407
	<b><u>3,353,641</u></b>	<b><u>1,990,006</u></b>

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

### 13. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount in original currency</b>	<b>Shown in the consolidated financial statements</b>
		<i>US\$</i>	<i>RMB'000</i>
Ordinary shares of US\$0.0000001 each			
<i>Authorised:</i>			
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 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	1,416,184,732	142	1
Cancellation of repurchased shares ( <i>note (i)</i> )	<u>(21,922,000)</u>	<u>(3)</u>	<u>—</u>
At 31 December 2022	<u>1,394,262,732</u>	<u>139</u>	<u>1</u>



Notes:

- (i) During the year ended 31 December 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 HK\$'000
		Highest HK\$	Lowest HK\$	
January 2022	3,418,000	2.15	1.96	8,151
April 2022	2,627,000	2.42	2.15	5,369
May 2022	5,805,000	2.35	2.15	13,099
June 2022	3,257,000	2.45	2.29	7,313
July 2022	2,100,000	2.27	2.13	4,627
September 2022	<u>4,715,000</u>	1.84	1.57	<u>8,070</u>
	<u>21,922,000</u>			<u>46,629</u>

All of the above shares were cancelled during the year ended 31 December 2022. The issued share capital of the Company was reduced by the nominal value of US\$2.19. Pursuant to section 37(4) of the Companies Law of the Cayman Islands, the nominal value of the shares cancelled of US\$2.19 (equivalent to RMB14.21) was transferred from the share capital to the share premium. The premium paid on the repurchase of the shares of HK\$46,629,000, equivalent to approximately RMB41,654,000, 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 year ended 31 December 2022 and 2021.

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

During the year ended December 31, 2022, the Company repurchased 21,922,000 shares of the Company on the Hong Kong Stock Exchange for an aggregate consideration of approximately HK\$46,629,000 before expenses. All the repurchased shares were subsequently cancelled during the year ended December 31, 2022. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the shares repurchased during the year ended December 31, 2022 are as follows:

Month of purchase	No. of shares purchased	Price per Share		Total paid HK\$'000
		Highest price paid HK\$	Lowest price paid HK\$	
January 2022	3,418,000	2.45	2.29	8,151
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	2.50	2.15	7,313
July 2022	2,100,000	2.27	2.13	4,627
September 2022	<u>4,715,000</u>	1.84	1.57	<u>8,070</u>
Total	<u>21,922,000</u>			<u>46,629</u>

Save as disclosed above, 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 during the year ended December 31, 2022.

## COMPLIANCE WITH THE 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") that came into effect on January 1, 2022, save and except for code provisions C.2.1 and D.1.2 of part 2 of the CG Code as explained below, during the year ended December 31, 2022.

Code provision C.2.1 of part 2 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 part 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 under Rule 3.08 and Chapter 13 of the Listing Rules. 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 updates 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.

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.

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 ended December 31, 2022.

## **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 as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors and the relevant employees of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code for the year ended December 31, 2022 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 part 2 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees for the Reporting Period was noted by the Company after making reasonable enquiry.

## **AUDIT COMMITTEE**

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As at the date of this announcement, 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.

The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2022. 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 and the external auditor of the Company, SHINEWING (HK) CPA Limited (“**SHINEWING**”).

## **SCOPE OF WORK OF SHINEWING**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2022 as set out in this results announcement have been agreed by the Group’s auditors, SHINEWING, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by SHINEWING on this results announcement.

## **FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

The Board recommended the declaration of a final dividend of HK\$0.04 per share for the year ended December 31, 2022 (the year ended December 31, 2021: Nil), subject to the approval of shareholders of the Company at the annual general meeting (the “**AGM**”) to be held on June 9, 2023 (Friday), which is expected to be paid on June 29, 2023 (Thursday) to shareholders of the Company whose names appear on the register of members of the Company on June 19, 2023 (Monday), being the record date for determining shareholders’ entitlement to the proposed final dividend. The final dividend of HK\$0.04 per share is payable on the existing 1,394,262,732 shares of the Company in issue.

In order to determine the entitlement of shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from June 6, 2023 (Tuesday) to June 9, 2023 (Friday) (both days inclusive), during which period no transfer of shares of the Company will be registered. 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 June 5, 2023 (Monday).

In order to determine the entitlement of shareholders of the Company to receive the final dividend, the register of members of the Company will be closed from June 15, 2023 (Thursday) to June 19, 2023 (Monday) (both days inclusive), during which period no transfer of shares will be registered. To qualify for entitlement of the final 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 June 14, 2023 (Wednesday).

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.ingdangroup.com](http://www.ingdangroup.com). The annual report of the Group for the year ended December 31, 2022 will be published on the aforesaid websites 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, March 31, 2023

*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.*