INGDAN, INC.
硬 蛋 創 新

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

(Stock code: 400)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

The board (the "**Board**") of directors (the "**Directors**") of Ingdan, Inc. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2023 (the "**Reporting Period**") and comparison with the operating results for the corresponding period in 2022. These results were based on the unaudited 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, 2023 *(Renminbi (“**RMB**”) in millions, unless specified)*	June 30, 2022	Year-on-year change
Revenue	**3,863.5**	4,702.4	(17.8)%
Gross profit	**482.4**	424.4	13.7%
Profit from operations	**247.8**	224.0	10.6%
Profit for the period	**168.1**	211.9	(20.7)%
Profit attributable to equity shareholders of the Company	**92.5**	131.7	(29.8)%
Earnings per share (“**EPS**”) (RMB per share)			
— basic	**0.068**	0.095	(28.4)%
— diluted	**0.067**	0.094	(28.7)%

MANAGEMENT DISCUSSION AND ANALYSIS

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 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 the first half of 2023, the rapid development of artificial intelligence (“**AI**”) technologies has driven the digitalization of various industries, resulting in an increase in demand for chips. Accordingly, the demand for the Group’s AI chips has increased. However, as affected by suppliers’ production capacity, there was a supply shortage of AI chips and the delivery of orders would be deferred to the second half of the year. Coupled with the slowdown in the growth of demand for chips in the consumer electronics category, the overall sales dropped. On the other hand, with profits increasing at a compound annual growth rate (CAGR) of approximately 46.1% from 2019 to 2022, the Group’s results for the corresponding period of the prior year grew at a record high. Therefore, as the market demand returns to normal industry level in the Reporting Period from last year’s chips shortage, the Company’s profit has declined during the Reporting Period as compared with the same period last year. For the Reporting Period, the Group recorded revenue of approximately RMB3,863.5 million, compared to approximately RMB4,702.4 million for the corresponding period in 2022, representing a decrease of approximately 17.8% year-on-year. The Group recorded a decrease of approximately 20.7% in net profit after tax as compared to the corresponding period in 2022. Gross profit was approximately RMB482.4 million, representing an increase of approximately 13.7% year-on-year. Profit from operations was approximately RMB247.8 million, representing an increase of approximately 10.6% year-on-year.

In the first half of 2023, the popularity of Generative AI such as ChatGPT has once again driven the AI boom. The thriving AI market trend in China has driven the growth in demand for AI orders from Comtech. However, due to the impact of supply shortage, the inventory of AI chips was insufficient to fulfill the large number of orders, which resulted in the delay of deliveries to the second half of the year and the sales volume was affected accordingly. According to forecasts by World Semiconductor Trade Statistics Association, global annual semiconductor sales will decline by 10.3% in 2023 but are expected to grow by 11.8% in 2024 by virtue of a strong recovery.[1] As a technology service platform for the chip industry, Comtech 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 downstream, including smart vehicles, digital infrastructure, industrial interconnection, energy control and big consumption. With the gradual recovery of the domestic economy, the continuous development of the technology industry, and favorable national policies, the outlook for China's semiconductor industry is optimistic, as it meets the increasing demand for chips and brings more growth momentum to the chip business.

Comtech continued to actively push for the development of chips applications during the Reporting Period, and has achieved technological breakthroughs in cutting-edge technological features in the industries of AIGC, logistics robots and electronic rearview mirrors for smart vehicles, empowering a number of China's innovative enterprises, so as to prepare to capitalize on future market recovery.

In addition, the Group has obtained approval from the Stock Exchange for the spin-off and separate listing of its chip business, Shenzhen Comtech Limited (深圳市科通技術股份有限公司) ("**Shenzhen Comtech**"), on the A-shares market in Mainland China (the "**Proposed A-Share Listing**"), and the application for A-share listing on the ChiNext Board has been confirmed by the Shenzhen Stock Exchange on June 30, 2022, which further expands the Group's development in the capital market and chip market in Mainland China. With the domestic chip market receiving strong support from national policies, Shenzhen Comtech is preparing for the Proposed A-Share Listing and has submitted the audited consolidated financial statements of Shenzhen Comtech for the three years ended December 31, 2020, 2021 and 2022 during the Reporting Period, accommodating the Proposed A-Share Listing application. After the Proposed A-Share Listing is completed, the Company will remain the ultimate controlling shareholder of Shenzhen Comtech and its financial results will still be consolidated into the Company to facilitate the sustainable growth of the Group's results.

[1] WSTS Semiconductor Market Forecast Spring 2023
https://www.wsts.org/76/Recent-News-Release

The financial data of Comtech referred to in this announcement is based on the separately managed business segments identified and allocated by the Company and therefore is not equivalent to the financial data of Shenzhen Comtech for the Proposed A-Share Listing. The Group currently holds approximately 66.84% of Shenzhen Comtech, which financial statements will continue to be consolidated into the Group's consolidated financial statements.

Ingdan focuses on the new energy industry and is committed to developing the industry for two-wheeler battery replacement and re-utilization. By building a reliable asset management platform for traceable lithium battery life-cycle data, it provides customized solutions for two-wheeler battery replacement, power re-utilization and energy storage, etc. Ingdan's proprietary smart battery management platform can monitor real-time battery status, effectively improve battery usage efficiency and cycle, realizing the smart management of the whole battery life cycle from production calibration, safe operation, asset management, efficiency management to recycling tracking, etc.

According to the analysis of iResearch Consulting, the number of two-wheel electric vehicles in China was estimated to be approximately 350 million in 2022. In order to resolve the problems of "slow recharge, difficult recharge, unsafe recharge, short battery life and high cost", the business model of "replace instead of recharge" has been adopted by the industry with an accelerated development pace. According to EVTank's forecast, the scale of the two-wheel electric vehicle battery replacement service market will exceed RMB130 billion by 2025. In line with China's "double carbon" national goal of reaching carbon peak in 2030 and realizing carbon neutrality in 2060, the upgrade of the energy industry structure is expected to bring about rapid changes in the industry layout. Ingdan strategically focuses on the two-wheeler battery cloud services, aiming at the new market trend of new energy smart battery cloud in order to seize the RMB100 billion "blue ocean" market opportunity, which would enable the Group to sustain profitability while contributing to the advocacy of the product standardization of China's two-wheeler battery replacement industry, and support the realization of the national "double carbon" goal.

In the era of rapid AI development, iPaaS is required to realize data and technology integration as industries accelerate their pace in digital transformation. According to a report by Industry Research (IRC), the global market size of iPaaS is expected to grow from US$5.29 billion in 2022 to US$30.58 billion in 2028, with a CAGR of 34.0%.[2] Ingdan is actively expanding into the iPaaS market. In particular, its iPaaS platform mainly provides iPaaS services including solutions for technology integration and plans for sales and marketing to core technology providers along the "chip-device-cloud" industry chain, for the purpose of proactively deploying investment in the five major smart hardware fields, namely smart vehicles, digital infrastructure, industrial interconnection, energy control and big consumption.

[2] https://www.marketwatch.com/press-release/2023-global-ipaas-market-an-in-depth-analysis-and-forecast-of-industry-till-2030-2023-05-25

As technology advances rapidly, there is sustainable demand for operating system improvements. OpenHarmony's open-source technology platform has become an industry ecosystem and a standard, as it serves to safeguard China's information security as well as the autonomy and control of industries with core technologies. As an ecosystem, OpenHarmony has 31 software releases from 17 vendors and launched more than 140 commercial devices, covering a wide range of industries such as education, finance, transport, digital government, and manufacturing industries.[3] During the Reporting Period, Shenzhen Comtech was again awarded a "Platinum Donor of OpenAtom Foundation" (開放原子開源基金會白金捐贈人). After becoming a Platinum Donor of OpenAtom Foundation in 2020, the Group has been committed to facilitating the use of open-source research in hardware and software and has actively joined hands with different technology giants to build an industry ecosystem and industry standards that can be self-managed by the industry through OpenHarmony. The Group has also actively expanded the application of "OpenHarmony +" solutions to various key areas such as power batteries, intelligent driving and communications, while facilitating the standardisation of intelligent hardware and technology applications in various industries. Ingdan has also introduced OpenHarmony open-source technologies into iPaaS services to enhance and upgrade standards.

Future Prospects

The Group's goal is to become the world's leading technology integration service platform for the smart hardware industry, using the Group's "Comtech + Ingdan" business model to form a "chip-device-cloud" closed loop of the smart hardware industry. The Group strives to serve China's growing tech market. We intend to pursue the following growth strategies to achieve our goal:

I. ***Capturing Business Opportunities in AI***

Driven by market development, AI technologies continue to be implemented commercially. AI has become an important feature for enterprises' digitalization and intelligentization, while chip applications, intelligent hardware and big data are the strong support for various industries to accelerate their pace in digital transformation. According to a report released by Grand View Research, market research firm, the global AI market was estimated to reach a market size of US$136.55 billion in 2022, with a CAGR of 37.3% from 2023 to 2030.[4] The 2023 IDC Worldwide Artificial Intelligence Spending Guide, released by IDC in the first half of 2023, shows that the spending in AI market in China will increase to US$14.75 billion in 2023, accounting for about one-tenth of the global total.[5] It can be seen that, under the advent of concepts such as the new economy, smart cities, digital transformation, meta-universe, and AIGC, the commercial value and strategic significance of AI technology application in enterprises' business operations are becoming more significant, with the growth in both supply and demand side of the market. In the future, AI will be further applied to the real economy and innovation, in which case both scientific and technological transformation can be possible and there will be more new opportunities.

[3] OpenHarmony has launched 140 commercial devices, covering industrial, financial and transport industries https://news.sohu.com/a/684750545_123753

[4] https://www.grandviewresearch.com/industry-analysis/artificial-intelligence-ai-market

[5] https://www.idc.com/getdoc.jsp?containerId=prCHC50539823

China is also actively promoting its development of science and technology to enhance China's competitiveness, the Communist Party of China Central Committee and the State Council issued the "Plan for the Overall Layout of Building a Digital China" (數字中國建設整體佈局規劃) to highlight the importance of digitalization of China in the process of facilitating the progress of China's modernisation. The plan calls for the acceleration of the building of Digital China and plans to achieve significant progress in the building of Digital China by 2025.[6] The Group believes that, with the strong support of the government, the AI industry will also see a new round of substantial growth, which opens up a new chapter in the development of the digital intelligence industry, thereby driving the demand for both chips and chip applications.

The Group will also actively accelerate its development in the AI industry chain to seize new market opportunities. Capitalizing on its industrial strengths, the Group will cater for the AI industry chain through Comtech and Ingdan and speed up its construction of an innovation-driven development in order to capture opportunities in the new round of AI development. Comtech, as the technology service platform for the chip industry, will continue to research and develop and enhance the design of chip application solutions in order to meet the demand for high-performance chip applications in AI. Meanwhile, Ingdan Cloud under Ingdan can fully utilize its capabilities in big data analysis to effectively integrate the complete smart hardware application solutions with products, so as to speed up the successful application of AI products. The Group will continue to upgrade its service platform in order to provide complete coverage of the entire AI industry chain and seize the business opportunities that may arise during the smart transformation in the People's Republic of China (the "**PRC**").

II. ***Enhanced revenue streams from Ingdan***

The Group intends to further enhance Ingdan's revenue streams. In this regard, the Group will actively focus on the development of a new energy smart battery cloud business and the deployment of resources for cloud services for two-wheel vehicle batteries to capitalize on the new market trend. In addition, the Group has built an iPaaS technology integration platform in order to capture the opportunities in the AI era, and developed into a core technology provider serving the AloT "chip-device-cloud" industry chain, while focusing on five smart hardware fields: smart vehicles, digital infrastructure, industrial interconnection, energy control and big consumption. 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 the upstream of the chip industry with application design and distribution services for chips to expand the 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 and 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 research and development projects are

[6] https://www.gov.cn/zhengce/2023-02/27/content_5743484.htm

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 by 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 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 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 feedbacks 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 for customers. Accordingly, we invested more resources in customer services, order fulfilment and delivery capabilities in order to enhance our service reliability and shorten our customer response time, further enhancing 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's diversified business portfolio will enhance its market strengths by targeting different segments of the market. 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.

First half of 2023 compared to first half of 2022

The following table sets forth the comparative figures for the first half of 2023 and the first half of 2022:

	Unaudited Six months ended **June 30, 2023**	June 30, 2022
	(RMB in millions)	
Revenue	**3,863.5**	4,702.4
Cost of sales	**(3,381.1)**	(4,278.0)
Gross profit	**482.4**	424.4
Other income	**26.9**	73.7
Selling and distribution expenses	**(90.2)**	(96.3)
Research and development expenses	**(63.4)**	(92.6)
Administrative and other operating expenses	**(107.9)**	(85.2)
Profit from operations	**247.8**	224.0
Finance costs	**(51.8)**	(29.4)
Gain on disposal of subsidiaries	**—**	48.9
Share of results of associates	**0.6**	1.4
Profit before tax	**196.6**	244.9
Income tax expenses	**(28.5)**	(33.0)
Profit for the period	**168.1**	211.9
Profit for the period attributable to:		
Owners of the Company	**92.5**	131.7
Non-controlling interests	**75.6**	80.2
Profit for the period	**168.1**	211.9

1. Overview

For the Reporting Period, profit from operations increased and amounted to approximately RMB247.8 million, representing an increase of approximately RMB23.8 million as compared with approximately RMB224.0 million for the corresponding period of 2022. Profit of the Group decreased and amounted to approximately RMB168.1 million, representing a decrease of approximately RMB43.8 million as compared with approximately RMB211.9 million for the corresponding period of 2022. Profit attributable to equity shareholders of the Company amounted to approximately RMB92.5 million, representing a decrease of approximately RMB39.2 million compared with approximately RMB131.7 million for the corresponding period of 2022.

2. Revenue

For the Reporting Period, revenue of the Group amounted to approximately RMB3,863.5 million, representing a decrease of approximately RMB838.9 million or approximately 17.8% as compared with approximately RMB4,702.4 million for the corresponding period of 2022. The decrease was primarily due to the slowdown in the growth of demand for chips in the consumer electronics category.

3. Cost of Sales

Cost of sales for the Reporting Period was approximately RMB3,381.1 million, representing a decrease of approximately 21.0% from approximately RMB4,278.0 million for the six months ended June 30, 2022. The decrease was due to a decrease in revenue described under the paragraph headed "Revenue", which was off-set in part by the increase in gross margin as described under the paragraph headed "Gross Profit".

4. Gross Profit

Gross profit for the Reporting Period was approximately RMB482.4 million, representing an increase of approximately 13.7% from approximately RMB424.4 million for the six months ended June 30, 2022. The increase was primarily driven by an increase in gross margin from 9.0% for the six months ended June 30, 2022 to 12.5% for the corresponding period of 2023. The increase was off-set by the results of revenue and cost of sales for the reasons described under the paragraph headed "Revenue". The increase in gross margin was contributed by change in sales mix, in which sales of proprietary products in Ingdan, sales of FPGA products for AI industries, 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 RMB26.9 million, representing a decrease of approximately RMB46.8 million or approximately 63.5% as compared with approximately RMB73.7 million for the corresponding period of 2022. This was primarily due to a net foreign exchange gain of approximately RMB14.1 million recorded for the first half of 2023 as compared to approximately RMB70.1 million recorded in the corresponding period of 2022.

6. **Selling and Distribution Expenses**

Selling and distribution expenses of the Group for the Reporting Period amounted to approximately RMB90.2 million, representing a decrease of approximately RMB6.1 million or approximately 6.3% from approximately RMB96.3 million over the corresponding period of 2022. This decrease was primarily due to loss allowance on trade receivables of approximately RMB26.0 million recorded for the first half of 2023 as compared to approximately RMB37.1 million recorded in the corresponding period of 2022. The decrease was also contributed by the decrease in logistics and warehousing costs as a result of the decrease in product quantities of sales. It was offset by an increase in other selling related costs such as marketing and promotion campaigns for new customer acquisition.

7. **Research and Development Expenses**

For the Reporting Period, research and development expenses of the Group amounted to approximately RMB63.4 million, representing a decrease of approximately RMB29.2 million or approximately 31.5% from approximately RMB92.6 million over the corresponding period of 2022. This was primarily due to less 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 RMB107.9 million, representing an increase of approximately RMB22.7 million or approximately 26.6% from approximately RMB85.2 million over the corresponding period of 2022. This was primarily due to an increase in amortization of intangible assets in the first half of 2023 as compared to that of 2022.

9. **Income Tax Expenses**

Our income tax expenses decreased by approximately RMB4.5 million or 13.6% from approximately RMB33.0 million for the six months ended June 30, 2022 to approximately RMB28.5 million for the Reporting Period, primarily due to a decrease in profit before tax as a result of the decreased revenue. The effective tax rate for the six months ended June 30, 2023 was

14.5%, as compared to 13.5% for the six months ended June 30, 2022. 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 RMB92.5 million, representing a decrease of approximately RMB39.2 million or approximately 29.8% as compared with approximately RMB131.7 million for the corresponding period of 2022. The decrease was primarily due to gain on disposal of subsidiaries amounting to approximately RMB48.9 million for the six months ended June 30, 2022 whilst no such gain was recorded for the corresponding period of 2023. The decrease was also contributed by an increase in finance costs by approximately RMB22.4 million, from RMB29.4 million for the six months ended June 30, 2022 to RMB51.8 million for the corresponding period of 2023. The increase in finance costs was resulted from an increase in bank borrowings. The decrease in profit attributable to owners of the Company was offset in part by an increase in profit from operations from RMB224.0 million to RMB247.8 million year-on-year.

11. Liquidity and Source of Funding

As at June 30, 2023, the current assets of the Group amounted to approximately RMB8,495.7 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 RMB1,048.7 million, RMB5,055.2 million, RMB490.9 million and RMB1,893.5 million, respectively. Current liabilities of the Group amounted to approximately RMB6,008.5 million, of which approximately RMB1,818.8 million was bank loans and approximately RMB4,042.1 million was trade and other payables. As at June 30, 2023, the current ratio (the current assets to current liabilities ratio) of the Group was 1.41, representing an increase of 1.4% as compared with 1.39 as at December 31, 2022. The change in the current ratio was primarily due to an increase in inventories and change from non-current portion to current portion of loan receivables, offset by an increase in trade and other payables and bank loans. The increase in inventories and trade and other payables was resulted from more purchases of goods made in the first half of 2023 to cope with expected sales demand in the second half of 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 RMB591.0 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, 2023 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 RMB0.6 million, representing an increase of approximately RMB0.3 million compared with approximately RMB0.3 million for the corresponding period in 2022.

13. Net Gearing Ratio

As of June 30, 2023, 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 23.2% as compared with 12.3% as at December 31, 2022. The increase was primarily due to an increase in bank loans during the Reporting Period.

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% or more of the Company's total assets as at June 30, 2023) for the Reporting Period.

15. Material Acquisitions and Disposals

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) 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 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, 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 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 China Securities Regulatory Commission.

Further details of the Proposed A Share Listing can be referred to the announcements of the Company dated September 30, 2021, December 7, 2021, June 30, 2022, February 28, 2023 and June 27, 2023, 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**").

17. Pledge of Assets

Except for the pledged bank deposits and pledged account receivables of approximately RMB495.1 million and approximately RMB415.7 million as at June 30, 2023, respectively, and approximately RMB190.5 million and approximately RMB257.2 million as at December 31, 2022, respectively, the Group did not have any pledge of assets during the Reporting Period. The pledged bank deposits and pledged account receivables 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, 2023.

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

Save as disclosed in this announcement, there were no other significant events that might affect the Group since the end of the six months ended June 30, 2023.

INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**3,863,453**	4,702,383
Cost of sales		**(3,381,146)**	(4,278,003)
Gross profit		**482,307**	424,380
Other income		**26,857**	73,715
Selling and distribution expenses		**(90,163)**	(96,311)
Research and development expenses		**(63,399)**	(92,643)
Administrative and other operating expenses		**(107,862)**	(85,232)
Finance costs		**(51,791)**	(29,352)
Gain on disposal of subsidiaries		**—**	48,913
Share of results of associates		**638**	1,411
Profit before tax		**196,587**	244,881
Income tax expenses	*6*	**(28,455)**	(33,000)
Profit for the period		**168,132**	211,881
Profit for the period attributable to:			
Owners of the Company		**92,521**	131,691
Non-controlling interests		**75,611**	80,190
		168,132	211,881

	Note	Six months ended 30 June 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Other comprehensive (expense) income for the period			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		**(23,857)**	50,714
Net change in fair value of financial assets at fair value through other comprehensive income		**77,838**	(137,628)
Other comprehensive income (expense) for the period		**53,981**	(86,914)
Total comprehensive income for the period		**222,113**	124,967
Total comprehensive income for the period attributable to:			
Owners of the Company		**159,422**	35,649
Non-controlling interests		**62,691**	89,318
		222,113	124,967
EARNINGS PER SHARE	*8*		
Basic (RMB)		**0.068**	0.095
Diluted (RMB)		**0.067**	0.094

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-current assets			
Plant and equipment		**8,542**	8,306
Right-of-use assets		**146,442**	29,549
Investment properties		**229,847**	237,653
Intangible assets		**794,601**	1,027,026
Goodwill		**607,007**	607,007
Financial assets at fair value through other comprehensive income		**822,681**	646,024
Loans receivables	*9*	**216,774**	704,002
Interests in associates		**23,042**	22,404
Interest in a joint venture		**—**	—
		2,848,936	3,281,971
Current assets			
Inventories		**5,055,171**	4,080,543
Trade, bills and other receivables	*10*	**1,893,484**	1,469,767
Loans receivables	*9*	**490,862**	—
Financial assets at fair value through profit or loss		**7,445**	6,000
Pledged bank deposits		**495,088**	190,539
Cash and cash equivalents		**553,632**	676,419
		8,495,682	6,423,268
Current liabilities			
Trade and other payables	*11*	**4,042,129**	3,423,946
Lease liabilities		**23,173**	12,555
Contract liabilities		**115,049**	262,551
Income tax payables		**9,301**	33,866
Bank loans		**1,818,815**	888,116
		6,008,467	4,621,034
Net current assets		**2,487,215**	1,802,234
Total assets less current liabilities		**5,336,151**	5,084,205

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		**37,704**	41,530
Other financial liabilities		**591,023**	571,347
Lease liabilities		**30,019**	17,976
		658,746	630,853
Net assets		**4,677,405**	4,453,352
Capital and reserves			
Share capital	*12*	**1**	1
Reserves		**4,190,037**	4,028,675
		4,190,038	4,028,676
Non-controlling interests		**487,367**	424,676
Total equity		**4,677,405**	4,453,352

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2023

1. GENERAL INFORMATION

Ingdan, Inc. (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 2023 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 certain financial asset, 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 2022 except as described below.

In the current interim period, the Group has applied, for the first time, the following new and 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 2023.

HKFRS 17 and related amendments	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

The application of the new and 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) service revenue from software licensing; and (iii) 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	
	2023	2022
	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	**3,834,407**	4,683,168
— Service revenue from software licensing	**4,622**	4,622
	3,839,029	4,687,790
Revenue from other sources		
— Interest income from IngFin Financing Services	**24,424**	14,593
	3,863,453	4,702,383

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	**Ingdan**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
For the six months ended 30 June 2023 (unaudited)			
Revenue from goods and services:			
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	**3,525,070**	**309,337**	**3,834,407**
— Service revenue from software licensing	**—**	**4,622**	**4,622**
	3,525,070	**313,959**	**3,839,029**
Timing of revenue recognition:			
— At a point in time	**3,525,070**	**309,337**	**3,834,407**
— Overtime	**—**	**4,622**	**4,622**
	3,525,070	**313,959**	**3,839,029**
Geographical markets:			
— The PRC (including Hong Kong)	**3,525,070**	**313,959**	**3,839,029**

	Comtech	Ingdan	Total
	RMB'000	*RMB'000*	*RMB'000*
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
	4,066,979	620,811	4,687,790
Timing of revenue recognition:			
— At a point in time	4,066,979	616,189	4,683,168
— Overtime	—	4,622	4,622
	4,066,979	620,811	4,687,790
Geographical markets:			
— The PRC (including Hong Kong)	4,066,979	620,811	4,687,790

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, 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 2023

	Comtech ***RMB'000*** **(Unaudited)**	**Ingdan** ***RMB'000*** **(Unaudited)**	**Total** ***RMB'000*** **(Unaudited)**
Revenue			
— External revenue	**3,525,070**	**338,383**	**3,863,453**
— Inter-segment revenue	**5,342,464**	**132,008**	**5,474,472**
Segment revenue	**8,867,534**	**470,391**	**9,337,925**
Eliminations			**(5,474,472)**
Group revenue			**3,863,453**
Segment profit	**164,104**	**84,742**	**248,846**
Unallocated income			**26,857**
Unallocated corporate expenses			**(27,963)**
Unallocated finance costs			**(51,791)**
Share of results of associates			**638**
Profit before tax			**196,587**

For the six months ended 30 June 2022

	Comtech *RMB'000* (Unaudited)	Ingdan *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue			
— External revenue	4,066,979	635,404	4,702,383
— Inter-segment revenue	25,809	16,110	41,919
Segment revenue	4,092,788	651,514	4,744,302
Eliminations			(41,919)
Group revenue			4,702,383
Segment profit	216,486	67,353	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			1,411
Profit before tax			244,881

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 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	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
— PRC Enterprises Income Tax	**14,695**	22,921
— Hong Kong Profits Tax	**17,586**	13,346
	32,281	36,267
Deferred taxation	**(3,826)**	(3,267)
	28,455	33,000

7. DIVIDENDS

No dividend was paid, declared or proposed during the six months ended 30 June 2023, nor has any dividend been proposed since the end of the reporting period (2022: 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	
	2023	2022
	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	**92,521**	131,691

	For the six months ended 30 June	
	2023	2022
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,368,194**	1,393,249
Effect of dilutive potential ordinary shares:		
RSU	**2,869**	3,881
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,371,063**	1,397,130

9. LOANS RECEIVABLES

	At 30 June 2023	At 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Analysed for reporting purpose:		
— Non-current portion	**216,774**	704,002
— Current portion	**490,862**	—
	707,636	704,002

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

	At 30 June 2023	At 31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**490,862**	—
Over 1 year	**216,774**	704,002
	707,636	704,002

10. TRADE, BILLS AND OTHER RECEIVABLES

The Group allows credit period ranging from 30 to 120 days (31 December 2022: 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 2023 *RMB'000* **(Unaudited)**	At 31 December 2022 *RMB'000* (Audited)
Within 1 month	**1,382,469**	886,551
1 to 2 months	**49,497**	55,778
2 to 3 months	**28,082**	6,754
Over 3 months	**104,614**	10,972
	1,564,662	960,055

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 2023 *RMB'000* **(Unaudited)**	At 31 December 2022 *RMB'000* (Audited)
Within 1 month	**3,251,375**	2,620,111
1 to 3 months	**682,979**	406,842
Over 3 months	**72,247**	326,688
	4,006,601	3,353,641

The average credit period granted is 30 days (31 December 2022: 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	Shown in the condensed consolidated interim financial information
		US$	*RMB'000*
Ordinary shares of US$0.0000001 each			
Authorised:			
At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	500,000,000,000	50,000	N/A
Issued and fully paid:			
At 1 January 2022 (audited)	1,416,184,732	142	1
Cancellation of repurchased shares *(note (i))*	(11,850,000)	(2)	—
At 30 June 2022 (unaudited)	1,404,334,732	140	1
At 1 January 2023 (audited) and 30 June 2023 (unaudited)	1,394,262,732	139	1

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$0.0000001 each	Price per share Highest	Lowest	Aggregate amount paid
		HK$	*HK$*	*HK$'000*
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	2.35	2.15	7,313
	15,107,000			33,932

Of the 15,107,000 share repurchased, 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$33,932,000, equivalent to approximately RMB31,709,000, was charged to share premium.

There were no shares repurchased for cancellation during the six months ended 30 June 2023.

(ii) No shares were repurchased through the Stock Exchange and deposited under RSU Scheme trustee during the six months ended 30 June 2023 and 2022.

(iii) For the six month ended 30 June 2023, 1,455,000 units of RSUs (six months ended 30 June 2022: 980,002) were vested to the beneficiaries, and approximately RMB1,842,000 (six months ended 30 June 2022: RMB1,261,000) 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 Listing Rules, 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 Reporting Period.

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 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 ending December 31, 2023.

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 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 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 part 2 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 CG Code. 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. 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 unaudited interim results of the Group for the Reporting Period. 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.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended June 30, 2023 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, 2023, 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, 2023, 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, 2022: 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, 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.