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IngDan 硬蛋

HATCH THE INTERNET OF THINGS

INGDAN, INC.

硬蛋創新

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 400)

DISCLOSEABLE AND CONNECTED TRANSACTION

RENEWAL OF LOAN FACILITY AND PROVISION OF FINANCIAL ASSISTANCE

BACKGROUND

Reference is made to the announcement of the Company dated 16 April 2021, where the Lender, an indirect wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower with the Loan Facility of up to RMB90,000,000. The Lender also entered into loan agreements in an aggregate amount of RMB27,600,000 with other Employees on the same date and on similar terms.

As at the date of this announcement, the principal amount of RMB90,000,000 and accrued interest under the Loan Facility remained outstanding.

RENEWAL OF LOAN FACILITY AND PROVISION OF FINANCIAL ASSISTANCE

According to the Loan Agreement, the Borrower shall repay the Loan Facility (together with all the accrued interest) in full on or before the Original Repayment Date, being 16 April 2024.

On 15 April 2024, the Lender, an indirect wholly owned subsidiary of the Company, entered into the Supplemental Loan Agreement to, among other things, extend the Original Repayment Date and revise the interest rate to 3.8%. Save for the amendments made pursuant to the Supplemental Loan Agreement, all the material terms and conditions of the Loan Agreement shall remain in full force and effect.

The Lender also entered into supplemental loan agreements to renew the existing loan agreements with other Employees on the same date and on similar terms.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the transaction contemplated under the Supplemental Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under the Listing Rules. Further, the Borrower is a director of Comtech, an indirect non-wholly owned subsidiary of the Company, and a director of other indirect subsidiaries of the Company. Therefore, the Borrower is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction under the Supplemental Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) the Borrower is a connected person at the subsidiary level; (ii) the Board has approved the Renewal of Loan Facility and the transaction contemplated thereunder, including the entering into of the Supplemental Loan Agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Renewal of Loan Facility and the transaction contemplated thereunder, including the entering into of the Supplemental Loan Agreement, are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

Four of the other Employees are directors of other indirect subsidiaries of the Company only and they are therefore connected persons at the subsidiary level. The applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the supplemental loan agreements with the other Employees are less than 1%. The supplemental loan agreements entered into with the other Employees therefore constitute de minimus transactions under Rule 14A.76 of the Listing Rules and are not subject to reporting, announcement and shareholders' approval under Chapter 14A of the Listing Rules.

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PRINCIPAL TERMS OF THE SUPPLEMENTAL LOAN AGREEMENT

Date	15 April 2024.
Parties	(1) Qianhai Ingdan (Shenzhen) Limited* (前海硬蛋通信技術(深圳)有限公司), formerly known as Qianhai Cogobuy.com (Shenzhen) Limited* (前海科通芯城通信技術(深圳)有限公司), as lender; and (2) LI Honghui (李宏輝), as borrower.
Principal amount of the Loan Facility	RMB90,000,000.
Revised Base Interest Rate	The interest rate of the Loan Facility be revised from 6% per annum to 3.8% per annum from 16 April 2024 until the Extended Repayment Date, which shall be calculated on an actual/365-day basis. The revised interest rate will also be subject to re-assessment and adjustment (if applicable) on or before each anniversary during the term of the Supplemental Loan Agreement with reference to the prevailing market interest rates.
Drawdown period of the Loan Facility	the date on which the Loan Facility was drawn down in full.
Purpose	The Borrower had transferred the principal amount of the Loan Facility to Shenzhen Partnership, which in turn had used this sum to pay for the Target Shares it purchased from Optimum Profuse Technology.

Security

Prior to withdrawing any sums under the Loan Agreement, the Borrower had entered in the Pledge Agreement with the Lender.

Repayment

- (i) The principal amount of the Loan Facility shall be repaid no later than the Extended Repayment Date. The Borrower can unilaterally decide to repay all or part of the principal amount on a date earlier than Extended Repayment Date;
- (ii) The interest shall be repaid together with the principal; and
- (iii) Any proceeds arising from the Borrower's transfer of his interest in Shenzhen Partnership or from the transfer of the Target Equity Interest through Shenzhen Partnership shall be applied in priority to repay the Loan Facility and its interests accrued.

Default Interest

- (i) If the Borrower fails to pay any sum payable to the Lender under the Loan Agreement when due, he shall pay interest on such sum from and including the due date up to and including the date of actual payment of all outstanding sums at the default rate of 130% of the base interest rate; and
- (ii) If the Borrower uses any sum borrowed under the Loan Agreement for a purpose other than that provided for in the Loan Agreement, he shall pay interest on such sum from and including the date on which the such sum was misused up to and including the date on which such sum was repaid at an interest rate of 200% of the base interest rate.

INFORMATION OF THE PARTIES INVOLVED

The Company

The Company is a limited liability company incorporated in the Cayman Islands and its shares have been listed on the Main Board of the Stock Exchange. The Company, together with its subsidiaries, is principally engaged in operating an iPaaS technology services platform serving the global IC industry and AIoT ecosystem in China. The Group's core businesses are (i) a technology services platform for the chip industry, and (ii) a platform providing AIoT technology and services.

The Lender

The Lender is principally engaged in software development, the development of electronic communication products and the provision of related technical consulting and services.

The Borrower

The Borrower is the executive partner of the Shenzhen Partnership, holding 76.53% of the partnership interests. Through Shenzhen Partnership, he indirectly owns equity interest in Comtech. The Borrower is also a director of Comtech and other indirect subsidiaries of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL LOAN AGREEMENT

The sums borrowed under the Loan Agreement were applied by the Borrower to pay for the Target Equity Interest acquired by Shenzhen Partnership which is ultimately controlled by the Borrower, following which the Borrower indirectly held 4.29% of Comtech (subsequently diluted to 4.08% as at the date of this announcement). The Borrower is a director of Comtech. The Group expects that the demand for chips from customers in the PRC will increase greatly as a result of the widespread adoption and rapid development of AI. As the Group's chip sales are conducted primarily through Comtech, a non-wholly owned subsidiary of the Company, the Company believes that allowing key employees to acquire an equity interest in Comtech is appropriate to incentivize key employees as it aligns employee interests with that of the Company, with a goal to retain and motivate critical employees to work towards the long-term goal, expansion and development of Comtech. The Renewal of Loan Facility is therefore in the interest of the Group.

The Revised Interest Rate under the Supplemental Loan Agreement has been determined by reference to the prevailing market interest rates as well as the financial background and repayment ability of the Borrower. The Supplemental Loan Agreement is expected to generate a stable interest income for the Lender, which will indirectly benefit the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the transaction contemplated under the Supplemental Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under the Listing Rules. Further, the Borrower is a director of Comtech, an indirect non-wholly owned subsidiary of the Company, and a director of other indirect subsidiaries of the Company. Therefore, the Borrower is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction under the Supplemental Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) the Borrower is a connected person at the subsidiary level; (ii) the Board has approved the Renewal of Loan Facility and the transaction contemplated thereunder, including the entering into of the Supplemental Loan Agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the Renewal of Loan Facility and the transaction contemplated thereunder, including the entering into of the Supplemental Loan Agreement, are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

Four of the other Employees are directors of other indirect subsidiaries of the Company only and they are therefore connected persons at the subsidiary level. The applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the supplemental loan agreements with the other Employees are less than 1%. The supplemental loan agreements entered into with the other Employees therefore constitute de minimus transactions under Rule 14A.76 of the Listing Rules and are not subject to reporting, announcement and shareholders' approval under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Supplemental Loan Agreement, and no Directors are required to abstain from voting on the relevant board resolutions.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Loan Agreement (including the Renewal of Loan Facility) were arrived at after arm's length negotiation between the Lender and Borrower in the ordinary and usual course of business of the Company; and have been entered into on normal commercial terms and the terms thereof are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“AI”	Artificial Intelligence
“AIoT”	AI and Internet of Things

“Borrower”	LI Honghui (李宏輝), a director and indirect shareholder of Comtech, and the executive partner of Shenzhen Partnership
“Company”	Ingdan, Inc. (硬蛋創新), an exempted company incorporated in the Cayman Islands with limited liability on 1 February 2012 and formerly known as Cogobuy Group
“Comtech”	Shenzhen Comtech Limited* (深圳市科通技術股份有限公司), a company established under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company as to approximately 66.84% and formerly known as Comtech Industrial Technology (Shenzhen) Company Limited* (科通工業技術(深圳)有限公司)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Employees”	Seven individuals, four of them are directors of other indirect subsidiaries of the Company and each a partner holding an interest in Shenzhen Partnership with whom the Lender has entered into (i) loan agreements on similar terms and on the same date as the Loan Agreement; and (ii) supplemental loan agreements on similar terms and on the same date as the Supplemental Loan Agreement
“Extended Repayment Date”	the extended maturity date of the Loan under the Supplemental Loan Agreement, being 16 April 2027
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IC”	integrated circuits
“Lender”	Qianhai Ingdan (Shenzhen) Limited* (前海硬蛋通信技術(深圳)有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company and formerly known as Qianhai Cogobuy.com (Shenzhen) Limited* (前海科通芯城通信技術(深圳)有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 16 April 2021 entered into between the Borrower and the Lender in respect of the provision of the Loan Facility

“Loan Facility”	the loan facility in the principal amount of RMB90,000,000 granted by the Lender to the Borrower under the Loan Agreement
“Optimum Profuse Technology”	Optimum Profuse Technology (HK) Limited (優車易購(香港)有限公司), a limited liability company incorporated in Hong Kong, formerly one of the shareholders of Comtech as to approximately 4.65% as at the date of the Loan Agreement
“Original Repayment Date”	16 April 2024
“Pledge Agreement”	the pledge agreement entered into between the Borrower and the Lender (《合夥企業財產份額質押協議》) before the Borrower withdrew any sums under the Loan Agreement, pursuant to which the Borrower agreed to (i) pledge his interest in the property of Shenzhen Partnership to the Lender and (ii) register the pledge as soon as practicable
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement only, Hong Kong, Macao and Taiwan
“Renewal of Loan Facility”	the renewal of the Loan Facility pursuant to the terms of the Supplemental Loan Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen Partnership”	Shenzhen Comtech Innovation Consulting Partnership* (深圳市科通創新諮詢合夥企業(有限合夥)), a partnership established under the laws of the PRC and formerly known as Shenzhen ING DAN Innovation Consulting Partnership* (深圳市硬蛋創新諮詢合夥企業(有限合夥))
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Loan Agreement”	the supplemental loan agreement dated 15 April 2024 entered into between the Lender and the Borrower in relation to the Renewal of Loan Facility

“Target Equity Interest” Equity interest in Comtech that Shenzhen Partnership purchased from Optimum Profuse Technology, amounting to approximately 4.29% of the total equity interest in Comtech as of the date of purchase of the Target Equity Interest, and subsequently diluted to 4.08% as at the date of this announcement

“%” per cent.

By order of the Board
Ingdan, Inc.
KANG Jingwei, Jeffrey
*Chairman, Executive Director
and Chief Executive Officer*

Hong Kong, 15 April 2024

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.

* *For identification purposes only*