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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Ingdan, Inc. (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**”) and comparison with the operating results for the year ended December 31, 2023.

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		
	December 31, 2024	December 31, 2023	Year-on-year change
	<i>(Renminbi (“RMB”) in millions, unless specified)</i>		
Revenue	10,129.1	8,863.4	14.3%
Gross profit	889.4	1,029.9	(13.6)%
Profit from operations	427.9	465.4	(8.0)%
Profit for the year	273.5	319.9	(14.5)%
Profit attributable to equity shareholders of the Company	189.9	210.7	(9.9)%
Earnings per share (“EPS”) (RMB per share)			
— basic	0.139	0.154	(9.7)%
— diluted	0.138	0.154	(10.4)%

BUSINESS REVIEW AND OUTLOOK

Overall business and financial performance of the Group

The Group is an innovative technology services platform conglomerate dedicated to connecting upstream chip technology with the needs of downstream innovation enterprises. Through proprietary artificial intelligence (“AI”) technology, large language models (“LLMs”), and specialized industry knowledge bases, the Group provides customers with cutting-edge chip application technology solutions, and efficient supply chain management services. The Group’s core businesses are Comtech (“Comtech”), a technology services platform for the chip industry, and Ingdan (“Ingdan”), a platform providing Artificial Intelligence of Things (“AIoT”) technology and services.

During the Reporting Period, benefiting from continued strong demand for AI computing power and growing demand for chips from industries related to AI technology, the Group recorded revenue of approximately RMB10,129.1 million, representing an increase of approximately 14.3% as compared to approximately RMB8,863.4 million for the corresponding period in 2023. Gross profit of the Group was approximately RMB889.4 million, representing a year-on-year decrease of approximately 13.6%. Profit from operations was approximately RMB427.9 million, representing a year-on-year decrease of approximately 8.0%. Net profit after tax was approximately RMB273.5 million, representing a year-on-year decrease of approximately 14.5%. The increase in sales volume from large customers impacted the overall gross margin, coupled with higher interest costs of US dollars, led to a decrease of profit attributable to equity shareholders of the Company.

During the Reporting Period, the revolutionary breakthroughs in generative AI (“AIGC”) technology and the technological leaps in the humanoid robot industry are comprehensively reshaping the global chip industry ecosystem. The market demand for high-performance computing chips is growing

exponentially, driving the upgrade of cloud computing infrastructure and the iteration of edge computing devices, while also promoting technological innovation in storage chip architecture. As AI applications such as Deep Seek, ChatGPT, and Gemini are gradually implemented, industry leaders are accelerating the buildout of AI infrastructure, further driving the recovery of the chip market. According to the Semiconductor Industry Association (SIA) of the United States, surging demand for AI processors and memory drove global chip sales to a record high in 2024, breaking the US\$600 billion mark for the first time, reaching US\$627.6 billion, marking a year-on-year increase of 19.1%. Among them, sales in the fourth quarter reached US\$170.9 billion, marking a year-on-year increase of 17.1% and quarter-to-quarter growth of 3.0% respectively. By region, annual chip sales in the Americas, China, Asia Pacific and Other regions increased by 44.8%, 18.3%, and 12.5%, respectively¹. Looking ahead to 2025, SIA expects global chip sales to maintain double-digit growth. The World Semiconductor Trade Statistics (WSTS) also predicts global chip sales to climb to US\$697.2 billion in 2025, an annual increase of 11.2%, with the Asia-Pacific region expected to grow at an annual rate of 10.4%².

During the strategic opportunity period of the global chip industry's development, the coordinated evolution of AI, cloud computing, and Internet of Things technologies, coupled with technological breakthroughs in the humanoid robot industry, is pushing global computing power demand onto an exponential growth track. This track not only gives rise to the iterative demand for high-performance computing chips such as GPUs and ASICs, but also drives technological upgrades across the entire industry chain of high-speed storage chips and intelligent network equipment. Together they form a complete innovation ecosystem, from chip design and manufacturing, to application terminals. In this context, as a core supplier on the AI computing power supply chain, Comtech is deeply involved in the construction of the global computility network, and serves a broad spectrum of sectors including computing centers, data centers, AI servers, AI switch networking products, optical modules and a wide range of AI applications. Comtech works closely with global leading chip manufacturers, and has been an agent for the products of over 80 major companies including Nvidia, AMD-Xilinx, Intel, and other well-known international manufacturers, in addition to numerous domestic chipmakers. Comtech's main products include GPUs, CPUs, FPGAs, ASICs, memory chips, software, and other full product series.

¹ **Global Semiconductor Sales Increase 19.1% in 2024 ; Double-Digit Growth Projected in 2025**
<https://www.semiconductors.org/global-semiconductor-sales-increase-19-1-in-2024-double-digit-growth-projected-in-2025/>

² **WSTS Semiconductor Market Forecast Fall 2024**
https://www.wsts.org/esraCMS/extension/media/f/WST/6765/WSTS_FC-Release-2024_11.pdf

With years of successful business operations, Comtech has accumulated extensive application technology experience and industrial resources, allowing it to provide chip application technology solutions and supply chain management services for tens of thousands of downstream customers within the innovation industry. Through its proprietary AI technology, LLMs and professional knowledge base, Comtech is able to provide intelligent and automated solutions in the areas of chip selection, hardware design, software development, and system integration, which greatly enhances product performance and reliability. Additionally, by applying AI technology and big data analytics to achieve intelligent supply chain management, Comtech has increased operational efficiency while reducing costs.

Comtech also holds a number of proprietary intellectual properties, including an intelligent algorithm library, industry-specific LLMs, an intelligent hardware design platform, an auto-adaptive system architecture, an intelligent development toolchain and a large number of innovative technology patents, which lend a competitive advantage in the fields of AI chip application and intelligent supply chain. Leveraging the combination of advanced AI technologies and deep industry expertise, Comtech continues to improve its service quality, create greater value for its customers, and lead the industry in technological innovation.

Ingdan, on the other hand, focuses on the new energy industry, dedicating efforts to developing the industry for two-wheeler battery replacement and re-utilization, as well as building a reliable asset management platform for traceable lithium battery life-cycle data. Ingdan provides customized solutions for two-wheeler battery replacement, power re-utilization, and energy storage. Its proprietary smart battery management platform can monitor real-time battery status, effectively improve battery usage efficiency and cycles, and realize the smart management of the whole battery life cycle from production calibration, safe operation, asset management, efficiency management, and recycling tracking. The business has strategically focused on two-wheeler battery cloud services, aiming to keep track of the market trend of new energy smart battery clouds, in order to seize the RMB100 billion “blue ocean” market opportunity. The project would enable the Group to sustain profitability while contributing to the advocacy of the product standardization of China’s two-wheeler battery replacement industry, providing technical support and industrial driving force for the realization of the national “double carbon” goal of carbon peaking and carbon neutrality.

Utilizing the Group’s deep resources and technological strengths in the chip industry, Ingdan Academy brings together the world’s leading chip application technologies to provide all-round technical services and talent training for the industry. The Academy assists upstream AI chip manufacturers in promoting their products and technologies in the market by offering professional technical training, while growing AI technical talent to help downstream AI application enterprises quickly adopt the latest AI technologies and products, thereby comprehensively enhancing those enterprises’ AI capabilities. Ingdan Academy also provides enterprises with locally deployed AI LLM application solutions and helps enterprises achieve multidisciplinary AI digital transformations. To date, Ingdan Academy has successfully trained over 2,000 chip application engineers, supplying the industry with a large number of highly qualified professionals. Through continuous talent training and technical support, Ingdan Academy is fully supporting Shenzhen in becoming a leading chip application industry hub in China and globally, greatly contributing to the development of the national chip industry.

Future Prospects

The Group's goal is to become the world's leading technology service platform, leveraging on the Group's "Comtech + Ingdan" business model to form a "chip-device-cloud" closed loop for the intelligent hardware industry. The Group strives to serve the whole of China's growing tech market and intends to pursue the following growth strategies to achieve its goal:

I. *Capture Business Opportunities in AI*

Driven by market developments, AI technologies continue to be implemented commercially. AI has become a crucial foundation for enterprises' digitalization and intelligentization, while chip applications, intelligent hardware, and big data serve as key pillars for various industries to accelerate their digital transformations. According to the latest forecast by the International Data Corporation (IDC) in its Worldwide AI and Generative AI Spending Guide, spending in the global AI market is expected to reach US\$632 billion by 2028, with a compound annual growth rate (CAGR) of approximately 29.0%³ over five years, as AI (particularly AIGC) rapidly integrates into various products. Additionally, research by China International Capital Corporation (CICC) estimates that the market demand for China's AI industry will reach RMB5.6 trillion by 2030, with total investment in the AI industry in China projected to exceed RMB10 trillion⁴ between 2024 and 2030.

With the rapid development of AI technology, it is increasingly evident that LLMs are accelerating in their iterations with a trend towards multi-modality. The rising demand for computing power has propelled an already soaring market for AI servers. This trend not only further opens up the AI chip market, but also greatly increases the demand on the AI computing power supply chain, which has become the main driving force for growth in Comtech's business. With the rise of concepts such as the new economy, smart cities, digital transformation, the meta-universe, and AIGC, the commercial value and strategic significance of AI technology applications within enterprises' business operations are becoming more significant in both the supply and demand sides of the market. In the future, AI will be further applied to the real economy and innovation, driving new scientific and technological transformations and creating new opportunities.

China is also actively promoting its development of science and technology to enhance its competitiveness. The country's "Artificial Intelligence +" initiative was first proposed in the 2024 Government Work Report. The initiative not only aligns with the global trend of AI development, but also closely links to the general trend of China's industrial upgrading, with the goal of in-depth integration of AI technology into various industries. The initiative reflects the high importance the government attaches to AI, and is part of its greater policy design to drive China's iteration and upgrade from the "Internet Age" to the "AI Age". It is also an important aspect of developing

³ **Worldwide Spending on Artificial Intelligence Forecast to Reach \$ 632 Billion in 2028, According to a New IDC Spending Guide**

https://www.idc.com/getdoc.jsp?containerId=pr_US52530724

⁴ **AI規模新經濟·中金公司2024世界人工智能大會投融資主題論壇成功舉辦**

https://www.cicc.com/news/details311_126956.html

new productive forces. By placing great importance on AI development, China has actively promoted the deep integration of the Internet, big data, AI, and the real economy to expand the intelligent industry and accelerate the development of new productive forces, providing new impetus for high-quality development. The Group believes that, with strong support at the national level, the AI industry will experience another round of substantial growth, which opens up a new chapter for the development of the digital industry.

The Group will also accelerate its presence in the AI industry chain by capturing development opportunities arising from AI technology. Capitalizing on its industrial strengths, the Group will cater to the AI industry chain through Comtech and Ingdan, and hasten its construction of an innovation-driven development model. 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 AI technologies' market demand for high-performance chips and computing power. The AI computing power supply chain is expected to embark on accelerated growth. Meanwhile, Ingdan, by leveraging its big data analysis capability with "Ingdan Cloud", will effectively integrate complete intelligent hardware application solutions with products to speed up the successful application of AI products. The Group will continue to upgrade its service platform in order to provide complete service coverage for the entire AI industry chain, and capture business opportunities arising from the smart transformation of China.

II. *Enhance 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-wheeler vehicle batteries, capitalizing on an important new market trend. Additionally, in order to capture new opportunities in the AI era, the Group has built an iPaaS technology integration platform, to become a core technology provider serving the AIoT "chip-device-cloud" industry chain, with emphasis on five intelligent hardware fields: smart vehicles, digital infrastructure, industrial interconnection, energy control, and big consumption. As an enterprise services platform, the Group acquires a large number of customers, collecting their purchasing demands and data on its platforms, while offering powerful analytical tools as enterprise services. The Group's "chip-device-cloud" industrial closed loop is primed to meet the needs of the AI industry chain. The "chip" part of the model 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 the "device" and "cloud" services portions. 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. As such, the "chip-device-cloud" industrial closed loop creates synergy, enabling Ingdan to drive greater contributions to the Group in the future. As Ingdan's research and development projects become more sophisticated, proprietary products will contribute even more momentum to the Group's performance. The Group also plans

to further enhance its 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. *Develop 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 customers and suppliers. The Group believes this will also drive its long-term business growth. The Group intends to broaden its 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 collected from its customers and suppliers and offer data-driven services, such as marketing and advertising planning, merchandising, product customization, fulfilment management, and third-party data services. The Group believes 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 continuously enhance its customer loyalty and generate greater sales from existing customers. The Group intends to leverage its advanced market analytics tools to make its online and offline platforms more efficient and relevant to its customers. The Group will also continue to enhance customized content on its platforms, by continuously collecting and analyzing customers' data and feedback to gain a better understanding of their needs, so as to refer suitable products or develop new customized products according to customers' business needs and market trends.

The Group plans to continuously develop new complementary services aimed at offering a complete range of products and solutions for customers. Accordingly, the Group has invested more resources in customer service, order fulfilment, and delivery capabilities in order to enhance service reliability and shorten customer response time, further enhancing the overall performance of its platforms. To increase the repeat purchase rates of newly acquired customers, the Group will continue to provide the key procurement personnel of new customers with powerful online tools, enterprise resource planning, and other complementary services. These services will enable the Group to maintain constant interactive communications with key personnel to better understand customers' demands and their product development. Accordingly, the Group will be able to create customized marketing plans targeting new customers, while cross-selling other products.

V. Pursue strategic partnerships and acquisition opportunities

In addition to growing business through internal initiatives, the Group plans to expand its business through strategic partnerships and acquisitions. The Group will continue to look across enterprises in different segments with good potential for investment, collaboration, or acquisition. Such strategic partnerships and acquisitions will further enhance the Group's business operations, help the Group expand its user and revenue base, widen geographic coverage, enhance product and service offerings, improve technology infrastructure, as well as strengthen talent pool. The Group's diversified business portfolio will also enhance its market strengths by targeting different market segments. The Group also plans to leverage its market position and business model to seek attractive cross-marketing, and licensing opportunities, to enhance its sales ability and seize the market expansion opportunities brought by AI.

Year of 2024 compared to year of 2023

The following table sets forth the comparative figures for the year of 2024 and the year of 2023:

	Year ended	
	December 31, 2024	December 31, 2023
	<i>(RMB in millions)</i>	
Revenue	10,129.1	8,863.4
Cost of sales	<u>(9,239.7)</u>	<u>(7,833.5)</u>
Gross profit	889.4	1,029.9
Other income, gains and losses	24.1	52.9
Selling and distribution expenses	(186.2)	(175.7)
Research and development expenses	(104.1)	(102.6)
Administrative and other operating expenses	(221.7)	(315.0)
Reversal of impairment losses (impairment losses) of financial assets	<u>26.4</u>	<u>(24.1)</u>
Profit from operations	427.9	465.4
Finance costs	(125.3)	(109.3)
Share of results of associates	<u>6.4</u>	<u>4.4</u>
Profit before tax	309.0	360.5
Income tax expenses	<u>(35.5)</u>	<u>(40.6)</u>
Profit for the year	<u><u>273.5</u></u>	<u><u>319.9</u></u>
Profit for the year attributable to:		
Owners of the Company	189.9	210.7
Non-controlling interests	<u>83.6</u>	<u>109.2</u>
Profit for the year	<u><u>273.5</u></u>	<u><u>319.9</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the year ended December 31, 2024, profit from operations decreased and amounted to approximately RMB427.9 million, representing a decrease of approximately RMB37.5 million as compared with approximately RMB465.4 million for the corresponding period of 2023. Profit of the Group amounted to approximately RMB273.5 million, representing a decrease of approximately RMB46.4 million as compared with approximately RMB319.9 million in 2023. Profit attributable to equity shareholders of the Company amounted to approximately RMB189.9 million, representing a decrease of approximately RMB20.8 million compared with approximately RMB210.7 million in 2023.

Revenue

For the year ended December 31, 2024, revenue of the Group amounted to approximately RMB10,129.1 million, representing an increase of approximately RMB1,265.7 million or approximately 14.3% as compared with approximately RMB8,863.4 million in 2023. The Group's revenue comprised approximately RMB10,085.1 million of sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products, approximately RMB3.0 million of service revenue from software licensing, and approximately RMB41.0 million of revenue from IngFin Financing Services. The increase was primarily due to an increase in demand for chips from the AI technology-related industry, and the gradual recovery of some markets such as storage and memory module products.

Cost of Revenue

Cost of revenue for the year ended December 31, 2024, was approximately RMB9,239.7 million, representing an increase of approximately 18.0% from approximately RMB7,833.5 million for the year ended December 31, 2023. The increase in cost of revenue was due to an increase in revenue described under the paragraph headed "Revenue".

Gross Profit

Gross profit for the year ended December 31, 2024, was approximately RMB889.4 million, representing a decrease of approximately 13.6% from approximately RMB1,029.9 million compared with the figures in 2023. The decrease was primarily driven by a decrease in gross margin from 11.6% for the year ended December 31, 2023, to 8.8% for the corresponding period of 2024. The decrease was primarily caused by a change in customer mix, in which revenue earned from large customers during 2024 was relatively higher than that in the corresponding period of 2023. In general, since gross margin for sales to large customers was comparatively lower, more sales to large customers resulted in lower overall gross margin.

Other Income, gains and losses

For the year ended December 31, 2024, other income, gains and losses of the Group amounted to approximately RMB24.1 million, representing a decrease of approximately RMB28.8 million or approximately 54.4% as compared with approximately RMB52.9 million in 2023. This was primarily due to government grants of approximately RMB4.6 million recorded for the year ended December 31, 2024, as compared to approximately RMB19.8 million recorded in the corresponding period of 2023. The change in other income, gains and losses was also primarily due to a net foreign exchange gain of approximately RMB3.8 million recorded for the year ended December 31, 2023, as compared to nil amount recorded in the corresponding period of 2024, and a loss on disposal of investment properties of approximately RMB0.8 million recorded for the year ended December 31, 2024, as compared to nil amount recorded in the corresponding period of 2023.

Selling and Distribution Expenses

Selling and distribution expenses for the year ended December 31, 2024, amounted to approximately RMB186.2 million, representing an increase of approximately RMB10.5 million or 6.0% from approximately RMB175.7 million in 2023. The increase was primarily due to an increase in logistics and warehousing costs as a result of an increase in product quantities of sales, and an increase in other selling related costs such as marketing and promotion campaigns for new customer acquisition.

Research and Development Expenses

Research and development expenses for the year ended December 31, 2024, amounted to approximately RMB104.1 million, representing an increase of approximately RMB1.5 million or approximately 1.5% from approximately RMB102.6 million in 2023. This was primarily due to more expenses spent on the research and development of IC chip distribution and application design, AIoT products and technologies, as well as customized technical solutions for proprietary products.

Administrative and Other Operating Expenses

During the year ended December 31, 2024, administrative and other operating expenses amounted to approximately RMB221.7 million, representing a decrease of approximately RMB93.3 million or approximately 29.6% from approximately RMB315.0 million in 2023, which was primarily due to amortization of intangible assets of approximately RMB121.9 million recorded for the year ended December 31, 2024, as compared to approximately RMB190.3 million recorded in the corresponding period of 2023. The decrease was also the result of depreciation of investment properties of approximately RMB3.5 million recorded for the year of 2024 as compared to approximately RMB15.3 million recorded in the corresponding period of 2023.

Reversal of impairment losses (impairment losses) of financial assets

This was primarily due to reversal of loss allowance on trade receivables of approximately RMB26.4 million recorded for the year ended December 31, 2024, as compared to loss allowance on trade receivables of approximately RMB24.1 million recorded in the corresponding period of 2023.

Income Tax

Our income tax decreased by approximately 12.6% from approximately RMB40.6 million for the year ended December 31, 2023, to approximately RMB35.5 million for the year ended December 31, 2024, primarily due to a decrease in profit before tax as a result of the decreased profit from operations. The effective tax rate for the year ended December 31, 2024, was 11.5%, as compared to 11.3% for the year ended December 31, 2023. 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%.

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

For the year ended December 31, 2024, profit attributable to equity shareholders of the Company amounted to approximately RMB189.9 million, representing a decrease of approximately RMB20.8 million or approximately 9.9% as compared to approximately RMB210.7 million in 2023. The decrease was primarily due to an increase in finance costs by approximately RMB16.0 million, from RMB109.3 million for the year ended December 31, 2023, to RMB125.3 million for the corresponding period of 2024. The increase in finance costs was the result of an increase in bank borrowings. The decrease was also partially due to decreased profit from operations, which was offset in part by a decrease in income tax expenses year-on-year.

Liquidity and Source of Funding

As of December 31, 2024, the current assets of the Group amounted to approximately RMB6,740.0 million, which mainly comprised cash and bank balances (including pledged deposits), inventories and trade and other receivables, in the amount of approximately RMB839.7 million, RMB3,510.5 million and approximately RMB2,380.7 million, respectively. Current liabilities of the Group amounted to approximately RMB4,781.2 million, of which approximately RMB1,885.9 million was bank loans and approximately RMB2,475.2 million was trade and other payables. As of December 31, 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 1.41, representing a decrease of approximately 6.6% as compared with 1.51 as of December 31, 2023. The change in the current ratio was primarily due to a change from non-current portion to current portion of other financial liabilities, an increase in bank loans and a decrease in inventories, offset by a decrease in trade and other payables, and an increase in trade and other receivables.

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 was 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 recognized at the present value of the redemption price, being RMB650.1 million, and subsequently measured at amortized cost. Such redemption right under the Subscriptions have been exercised by certain investors on December 31, 2024. Further details of the Subscriptions and the exercise of the redemption right are set out in the announcements of the Company dated September 10, 2020, September 25, 2020, October 16, 2020, June 29, 2021, and December 31, 2024.

The Group does not have other debt financing obligations as of December 31, 2024, 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, 2024, the capital expenditure of the Group amounted to approximately RMB31.0 million, representing a decrease of approximately RMB137.0 million or approximately 81.5% compared with approximately RMB168.0 million in 2023. The decrease in the capital expenditure was primarily due to a decrease in additions of right-of-use assets and a decrease in purchases of intangible assets for R&D of proprietary products year-on-year.

Net Gearing Ratio

As of December 31, 2024, 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 27.8% as compared with 25.1% as of December 31, 2023. The increase was primarily due to an increase in bank loans during the Reporting Period.

Significant Investments

The Group did not make any material investments (including any investment in an investee company with a value of 5% or more of the Company’s total assets as of December 31, 2024) for the Reporting Period.

Material Acquisitions and Disposals

As disclosed in the announcement of the Company dated December 31, 2024 (the “**Redemption Announcement**”), the Exercising Investors (as defined in the Redemption Announcement) had notified the Company of the exercise of the Redemption Right (as defined in the Redemption Announcement). As a result, the Company through Kugouwang Ecommerce Services (Shenzhen) Limited* (庫購網電子商務(深圳)有限公司) (“**Kugouwang**”), a wholly owned subsidiary of the Company, would repurchase from the Exercising Investors (the “**Redemption**”) an aggregate of approximately 5.58% interest in Shenzhen Comtech Limited (深圳市科通技術股份有限公司) (“**Shenzhen Comtech**”).

Pursuant to the Redemption, on an aggregated basis, the Company’s shareholding in Shenzhen Comtech (through Alphalink Global Limited, a wholly owned subsidiary of the Company, and Kugouwang) will increase from 66.84% to 72.42%. Shenzhen Comtech will continue to be a non-wholly owned subsidiary of the Company after the completion of the Redemption and the financial results of Shenzhen Comtech will continue to be consolidated into those of the Group. For further details of the Redemption, please refer to the Redemption Announcement.

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 (the “**Proposed A-Share Listing**”) on the ChiNext Board of the Shenzhen Stock Exchange on June 28, 2022 (the “**ChiNext Board Listing Application**”), which was notified by the Shenzhen Stock Exchange on June 30, 2022, that the application for the Proposed A-Share Listing was acknowledged.

As disclosed in the announcement of the Company dated April 18, 2024, after careful consideration of the new regulations introduced by the China Securities Regulatory Commission (the “**CSRC**”), the market conditions and the Group’s own development strategy, Shenzhen Comtech has decided to withdraw its ChiNext Board Listing Application and will, under suitable conditions, apply for listing on an appropriate board on a stock exchange in China.

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, June 27, 2023, January 31, 2024, April 18, 2024 and March 27, 2025 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 PRC.

The financial data of Shenzhen 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.

Pledge of Assets

Except for the pledged bank deposits of approximately RMB231.5 million and approximately RMB287.7 million as of December 31, 2024, and December 31, 2023, respectively, the Group did not have any pledge of assets for the year ended December 31, 2024. 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, 2024.

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 foreign currencies 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 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.

Events After the Reporting Period

On February 7, 2025, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with the subscriber, Optimum Profuse Technology (HK) Limited (the “**Subscriber**”), an independent third party to the Company and its connected persons, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, 250,000,000 subscription shares (the “**Subscription Shares**”) at the subscription price of HK\$1.30 each for an aggregate amount of HK\$325,000,000. The Subscription Shares would be issued and allotted under the general mandate granted as at the annual general meeting of the Company held on June 5, 2024, to the Subscriber in two tranches. The subscription completion is subject to the conditions set out in the paragraph headed “Conditions precedent to the Subscription Completion” in the announcement dated February 10, 2025 (the “**Subscription Announcement**”). The 250,000,000 Subscription Shares represent (i) approximately 17.93% of the existing issued share capital of the Company as at the date of the Subscription Announcement; and (ii) approximately 15.20% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares (assuming no other changes made to the issued share capital of the Company between the date of the Subscription Announcement and the subscription completion).

All conditions to Tranche One Completion and Tranche Two Completion (both defined in the Subscription Announcement), as set out in the Subscription Agreement, have subsequently been satisfied (including the grant of the approval for the listing of, and permission to deal in, the Subscription Shares by the Stock Exchange) and Tranche One Completion took place on February 20, 2025. As a result, 125,000,000 new shares of the Company have been issued under the general mandate and the number of total issued shares of the Company has increased from 1,394,262,732 shares to 1,519,262,732 shares on February 20, 2025. On March 3, 2025, Tranche Two Completion took place and as a result, the number of total issued shares of the Company has increased from 1,519,262,732 shares to 1,644,262,732 shares.

Please refer to the Subscription Announcement and the announcements of the Company dated February 20, 2025 and March 3, 2025, for more details of the subscription of new shares of the Company.

Save as disclosed in this announcement, there were no other significant events that might affect the Group since the end of the year ended December 31, 2024.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	10,129,127	8,863,382
Cost of sales		<u>(9,239,666)</u>	<u>(7,833,461)</u>
Gross profit		889,461	1,029,921
Other income, gains and losses	5	24,059	52,845
Selling and distribution expenses		(186,226)	(175,713)
Research and development expenses		(104,126)	(102,582)
Administrative and other operating expenses		(221,697)	(315,031)
Reversal of impairment losses (impairment losses) of financial assets		26,440	(24,115)
Finance costs	6	(125,260)	(109,295)
Share of results of associates		<u>6,400</u>	<u>4,435</u>
Profit before tax		309,051	360,465
Income tax expenses	7	<u>(35,561)</u>	<u>(40,595)</u>
Profit for the year		<u>273,490</u>	<u>319,870</u>
Profit for the year attributable to:			
Owners of the Company		189,854	210,700
Non-controlling interests		<u>83,636</u>	<u>109,170</u>
		<u>273,490</u>	<u>319,870</u>

		2024	2023
	Note	RMB'000	RMB'000
Other comprehensive expense			
<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		18,304	(23,131)
Net change in fair value of equity investments at fair value through other comprehensive income		<u>(399,367)</u>	<u>(182,617)</u>
		<u>(381,063)</u>	<u>(205,748)</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>67,742</u>	<u>(5,296)</u>
		<u>67,742</u>	<u>(5,296)</u>
Other comprehensive expense for the year		<u>(313,321)</u>	<u>(211,044)</u>
Total comprehensive (expense) income for the year		<u><u>(39,831)</u></u>	<u><u>108,826</u></u>
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(134,456)	12,575
Non-controlling interests		<u>94,625</u>	<u>96,251</u>
		<u><u>(39,831)</u></u>	<u><u>108,826</u></u>
EARNINGS PER SHARE			
Basic (RMB)	9	<u><u>0.139</u></u>	<u><u>0.154</u></u>
Diluted (RMB)		<u><u>0.138</u></u>	<u><u>0.154</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Plant and equipment		15,600	14,569
Right-of-use assets		104,904	122,702
Investment properties		207,347	222,403
Intangible assets		298,037	445,154
Goodwill		607,007	607,007
Financial assets at fair value through other comprehensive income		796,786	884,596
Loans receivables	<i>11</i>	803,622	284,612
Interests in associates		33,239	26,839
Interest in a joint venture		<u> </u>	<u> </u>
		<u>2,866,542</u>	<u>2,607,882</u>
Current assets			
Inventories		3,510,501	4,506,058
Trade, bills and other receivables	<i>10</i>	2,380,719	1,932,233
Loan receivables	<i>11</i>	2,875	424,635
Income tax recoverables		6,215	3,129
Pledged bank deposits		231,458	287,705
Cash and cash equivalents		608,229	437,777
		<u>6,739,997</u>	<u>7,591,537</u>
Current liabilities			
Trade and other payables	<i>12</i>	2,475,227	3,304,924
Lease liabilities		11,269	19,193
Contract liabilities		137,276	101,700
Other financial liabilities		249,618	—
Income tax payables		21,917	4,378
Bank loans		1,885,882	1,597,377
		<u>4,781,189</u>	<u>5,027,572</u>
Net current assets		<u>1,958,808</u>	<u>2,563,965</u>
Total assets less current liabilities		<u>4,825,350</u>	<u>5,171,847</u>

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Deferred tax liabilities		26,226	33,878
Other financial liabilities		384,555	610,699
Lease liabilities		<u>5,685</u>	<u>12,550</u>
		<u>416,466</u>	<u>657,127</u>
Net assets		<u><u>4,408,884</u></u>	<u><u>4,514,720</u></u>
Capital and reserves			
Share capital	13	1	1
Reserves		<u>3,846,054</u>	<u>3,993,792</u>
		3,846,055	3,993,793
Non-controlling interests		<u>562,829</u>	<u>520,927</u>
Total equity		<u><u>4,408,884</u></u>	<u><u>4,514,720</u></u>

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 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, service revenue from software licensing and provision of 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 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
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
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 -Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

Upon application of the amendments, the Group has reassessed the terms and conditions of its loan arrangements. The application of the amendments has no material impact on the classification of the Group’s liabilities.

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 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that except as described below, the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 18 — Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. REVENUE

Revenue represents revenue arising on sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products, 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:

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
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	10,085,107	8,816,984
— Service revenue from software licensing	<u>3,040</u>	<u>4,622</u>
	10,088,147	8,821,606
Revenue from other sources:		
— Interest income from IngFin Financing Services	<u>40,980</u>	<u>41,776</u>
	<u><u>10,129,127</u></u>	<u><u>8,863,382</u></u>

Set out below is the disaggregation of the Group's revenue from contracts with customers and the reconciliation of revenue for contracts with customers with the amounts disclosed in segment information:

	Comtech RMB'000	Ingdan RMB'000	Total RMB'000
For the year ended 31 December 2024			
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	9,568,549	516,558	10,085,107
— Service revenue from software licensing	<u>—</u>	<u>3,040</u>	<u>3,040</u>
	9,568,549	519,598	10,088,147
Revenue from other sources	<u>—</u>	<u>40,980</u>	<u>40,980</u>
	<u>9,568,549</u>	<u>560,578</u>	<u>10,129,127</u>
Disaggregation of revenue from contracts with customers by timing of recognition			
Timing of revenue recognition:			
— At a point in time	9,568,549	516,558	10,085,107
— Over time	<u>—</u>	<u>3,040</u>	<u>3,040</u>
Total revenue from contracts with customers	<u>9,568,549</u>	<u>519,598</u>	<u>10,088,147</u>

	Comtech RMB'000	Ingdan RMB'000	Total RMB'000
For the year ended 31 December 2023			
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	7,835,381	981,603	8,816,984
— Service revenue from software licensing	<u>—</u>	<u>4,622</u>	<u>4,622</u>
	7,835,381	986,225	8,821,606
Revenue from other sources	<u>—</u>	<u>41,776</u>	<u>41,776</u>
	<u>7,835,381</u>	<u>1,028,001</u>	<u>8,863,382</u>
Disaggregation of revenue from contracts with customers by timing of recognition			
Timing of revenue recognition:			
— At a point in time	7,835,381	981,603	8,816,984
— Over time	<u>—</u>	<u>4,622</u>	<u>4,622</u>
Total revenue from contracts with customers	<u>7,835,381</u>	<u>986,225</u>	<u>8,821,606</u>

Transaction price allocated to the remaining performance obligations

The sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products and service revenue from software licensing are with an original expected duration of one year or less or contracts for which revenue is recognized at the amount of which that Group has the right to invoice for the services performed. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting period.

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, 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 2024

	Comtech RMB'000	Ingdan RMB'000	Total RMB'000
Segment revenue			
— External sales	9,568,549	560,578	10,129,127
— Inter-segment sales	<u>—</u>	<u>—</u>	<u>—</u>
Segment revenue	<u>9,568,549</u>	<u>560,578</u>	<u>10,129,127</u>
Segment profit	<u>366,130</u>	<u>130,992</u>	497,122
Unallocated income			24,059
Unallocated corporate expenses			(93,270)
Unallocated finance costs			(125,260)
Share of results of associates			<u>6,400</u>
Profit before tax			<u>309,051</u>

For the year ended 31 December 2023

	Comtech RMB'000	Ingdan RMB'000	Total RMB'000
Segment revenue			
— External sales	7,835,381	1,028,001	8,863,382
— Inter-segment sales	<u>—</u>	<u>—</u>	<u>—</u>
Segment revenue	<u>7,835,381</u>	<u>1,028,001</u>	<u>8,863,382</u>
Segment profit	<u>352,358</u>	<u>156,642</u>	509,000
Unallocated income			52,845
Unallocated corporate expenses			(96,520)
Unallocated finance costs			(109,295)
Share of results of associates			<u>4,435</u>
Profit before tax			<u>360,465</u>

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administrative and certain other operating expenses, other income, finance costs, and share of results of associates. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

5. OTHER INCOME, GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	13,407	14,991
Government grants	4,625	19,777
Exchange gain, net	—	3,766
Loss on disposal of investment properties	(774)	—
Other	6,801	14,311
	<u>24,059</u>	<u>52,845</u>

6. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on other financial liabilities	39,352	39,352
Interests on bank loans	83,208	65,787
Interests on lease liabilities	1,264	2,486
Factoring costs	1,436	1,670
	<u>125,260</u>	<u>109,295</u>

7. INCOME TAX EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
PRC Enterprises Income Tax	13,668	37,598
Hong Kong Profits Tax	29,545	10,649
	43,213	48,247
Deferred tax	(7,652)	(7,652)
	<u>35,561</u>	<u>40,595</u>

8. DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period.

During the year ended 31 December 2023, a final dividend of HK\$0.04 per share in respect of the year ended 31 December 2022, in aggregate amount of approximately RMB50,402,000 was recognised as distribution out of the Company's share premium.

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:

	2024 RMB'000	2023 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the year attributable to owners of the Company	<u>189,854</u>	<u>210,700</u>
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,370,327	1,368,853
Effect of dilutive potential ordinary shares:		
Deemed issue of shares under the Company's RSU scheme	<u>665</u>	<u>2,175</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	<u>1,370,992</u>	<u>1,371,028</u>

10. TRADE, BILLS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Receivables at amortised cost comprise:		
— Trade receivables	2,013,405	1,795,527
— Bills receivables	<u>41,778</u>	<u>22,196</u>
Trade and bills receivables	2,055,183	1,817,723
Less: loss allowance on trade receivables	<u>(89,307)</u>	<u>(115,747)</u>
	1,965,876	1,701,976
Loan interest receivables	73,181	28,574
Trade deposits and prepayments	310,291	168,633
Other receivables	21,371	33,050
Investment in debenture	<u>10,000</u>	<u>—</u>
	<u><u>2,380,719</u></u>	<u><u>1,932,233</u></u>

The Group allows credit period ranging from 0 to 120 days (2023: 0 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.

	2024 RMB'000	2023 RMB'000
Within 1 month	1,839,691	1,595,943
1 to 2 months	42,347	71,024
2 to 3 months	11,751	7,468
Over 3 months	<u>72,087</u>	<u>27,541</u>
	<u><u>1,965,876</u></u>	<u><u>1,701,976</u></u>

11. LOANS RECEIVABLES

The following is a maturity profile of loans receivables, presented based on their contractual or renewed maturity dates at the end of the reporting period:

	2024 RMB'000	2023 RMB'000
Within 6 months	—	117,600
6–12 months	2,875	307,035
Over 1 year	<u>803,622</u>	<u>284,612</u>
	<u><u>806,497</u></u>	<u><u>709,247</u></u>

12. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	2,388,410	3,244,183
Accrued staff costs	29,473	29,896
Other payables	<u>57,344</u>	<u>30,845</u>
	<u><u>2,475,227</u></u>	<u><u>3,304,924</u></u>

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

	2024 RMB'000	2023 RMB'000
Within 1 month	1,891,643	377,855
1 to 3 months	465,111	2,819,350
Over 3 months	<u>31,656</u>	<u>46,978</u>
	<u><u>2,388,410</u></u>	<u><u>3,244,183</u></u>

The average credit period granted to the Group is 30 days (2023: 30 days). The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

13. SHARE CAPITAL

	Number of shares	Amount in original currency US\$	Shown in the consolidated financial statements RMB'000
Ordinary shares of US\$0.0000001 each			
<i>Authorised:</i>			
At 1 January 2023, 31 December 2023 and 31 December 2024	<u>500,000,000,000</u>	<u>50,000</u>	<u>N/A</u>
Issued and fully paid:			
At 1 January 2023, 31 December 2023 and 31 December 2024	<u>1,394,262,732</u>	<u>139</u>	<u>1</u>

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

During the year ended December 31, 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange (including any sale of treasury shares (as defined under the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”))). As of December 31, 2024, the Company did not hold any treasury shares.

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 C1 to the 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 considering 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 ended December 31, 2024.

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 C3 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 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. 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 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 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, 2024, as set out in the 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.

OTHER BOARD COMMITTEES

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

MATERIAL LITIGATION

As of December 31, 2024, 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.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2024.

ANNUAL GENERAL MEETING AND PERIOD OF CLOSURE OF REGISTER OF MEMBERS

The Company will arrange the time of convening the annual general meeting (the “AGM”) as soon as practicable. A notice and circular convening the AGM will be published and dispatched to the shareholders of the Company, where applicable, in a manner required by the Listing Rules. Once the date of the AGM is finalized, the Company will publish the period of closure of register of members of the Company in a separate announcement and in the notice of the AGM.

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 and the website of the Company at www.ingdangroup.com. The annual report of the Group for the year ended December 31, 2024, will be published on the aforesaid websites and will be dispatched to the Company’s shareholders, if requested, in due course.

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

Hong Kong, March 31, 2025

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.