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IngDan 硬蛋

HATCH THE INTERNET OF THINGS

INGDAN, INC.

硬蛋創新

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 400)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

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, 2024 (the “**Reporting Period**”) and comparison with the operating results for the corresponding period in 2023. 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		Year-on-year change
	June 30, 2024	June 30, 2023	
	<i>(Renminbi (“RMB”) in millions, unless specified)</i>		
Revenue	4,321.4	3,863.5	11.9%
Gross profit	457.6	482.4	(5.1)%
Profit from operations	228.2	247.8	(7.9)%
Profit for the period	169.1	168.1	0.6%
Profit attributable to equity shareholders of the Company	112.7	92.5	21.8%
Earnings per share (“EPS”) (RMB per share)			
— basic	0.082	0.068	20.6%
— diluted	0.082	0.067	22.4%

MANAGEMENT DISCUSSION AND ANALYSIS

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 the increased demand for AI computing power, and the growing demand for chips from industries related to AI technology, the Group recorded revenue of approximately RMB4,321.4 million, representing an increase of approximately 11.9% as compared to approximately RMB3,863.5 million for the corresponding period in 2023. The Group recorded an increase of approximately 0.6% in net profit after tax as compared to the corresponding period in 2023. Gross profit was approximately RMB457.6 million, representing a decrease of approximately 5.1% year-on-year. Profit from operations was approximately RMB228.2 million, representing a decrease of

approximately 7.9% year-on-year. The increase in sales volume from larger customers impacted the overall gross margin and led to an increase of profit attributable to equity shareholders of the Company, while higher interest costs of US dollars also impacted the Company's profit before tax.

During the Reporting Period, widespread adoption of artificial intelligence generated content (“AIGC”) had driven an increase in market demand for computing power chips. Major corporations have been actively deploying in the AI sector, leading to a robust recovery in the memory chip market, particularly the high-end memory chip segment. The exponential growth of emerging technologies such as 5G, AI, and the Internet of Things (IoT) has driven, and will continue to drive, steady growth in global chip demand. According to the Semiconductor Industry Association (SIA) of the United States, global chips sales reached US\$149.9 billion in the second quarter of 2024, marking a year-on-year increase of 18.3% and a quarter-to-quarter growth of 6.5%, which is also the first quarter-to-quarter positive growth since the fourth quarter of 2023. In June 2024, global chips monthly sales reached US\$50 billion, marking a year-on-year increase of 22.9% and a month-on-month increase of 1.7%. In particular, China's chip sales in June grew by 21.6% year-on-year.¹

The World Semiconductor Trade Statistics (WSTS) raised its market forecast in June 2024. WSTS expects sales from the global chip market to achieve year-on-year growth of 16.0%, to US\$611 billion in 2024, with further growth of 12.5% in 2025. This upward trajectory aligns with the market's strong performance over the past two quarters, especially the booming computing end market.² In addition, with the active promotion of inventory rationalization by supply chain enterprises and terminal enterprises, coupled with acceleration in automotive electronics and intelligence, the demand for chips in related fields has also risen sharply. As AI moves towards general AI applications, next-generation information technology fields have boosted demand for high-performance computing (HPC) chips, creating a favorable market environment for the industry.

As a core supplier on the AI computing power supply chain, Comtech 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 core chip companies, including Nvidia, Xilinx, Intel, AMD, ST and other well-known international manufacturers, as well as numerous domestic chipmakers. The main types of products distributed by Comtech include GPUs, CPUs, FPGAs, ASICs, memory chips, software and other full product series. 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 customers in the downstream of the innovation industry.

¹ Global Semiconductor Sales Increase 18.3% in Q2 2024 Compared to Q2 2023; Quarter-to-Quarter Sales Up 6.5%
<https://www.semiconductors.org/global-semiconductor-sales-increase-18-3-in-q2-2024-compared-to-q2-2023-quarter-to-quarter-sales-up-6-5/>

² WSTS Semiconductor Market Forecast Spring 2024
https://www.wsts.org/esraCMS/extension/media/f/WST/6558/WSTS_FC-Release-2024_05.pdf

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 significantly enhances product performance and reliability. In addition, by applying AI technology and big data analytics to achieve intelligent management of the supply chain, Comtech has significantly enhanced 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 to maintain its market competitiveness.

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. Ingdan's 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. Ingdan has strategically focused on two-wheeler battery cloud services, aiming to capture 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, supporting the realization of the national "double carbon" goal of carbon peaking and carbon neutrality.

Based on the Group's resources and technological strengths in the chip industry, the Ingdan Academy brings together the world's leading chip application technologies to provide technical services and talent training for the industry. Ingdan Academy assists upstream AI chip manufacturers in promoting their products and technologies in the market by offering technical training, while growing AI technical talents to help downstream AI application companies swiftly adopt the latest AI technologies and products, enhancing 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 talent training and technical support, Ingdan Academy will support Shenzhen in becoming a leading chip application industry hub in China and globally, making a greater contribution to the development of the national chip industry.

Future Prospects

The Group's goal is to become the world's leading technology service platform, using the Group's "Comtech + Ingdan" business model to form a "chip-device-cloud" closed loop of 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 pace in 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% over five years, as AI (particularly AIGC) rapidly integrates into various products.³ Additionally, research by the 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 trillion between 2024 and 2030.⁴

With the rapid development of AI technology, it is increasingly evident that the LLMs is accelerating its 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. Besides, with the rise of concepts such as the new economy, smart cities, digital transformation, 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.

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=prUS52530724>

⁴ AI-Driven New Economy of Scale: CICC Successfully Hosted 2024 World Artificial Intelligence Conference — Financing and Investment Sub-Forum
https://www.cicc.com/news/details311_126956.html

China is also actively promoting its development of science and technology to enhance China's competitiveness. The country's "Artificial Intelligence Plus" initiative was first proposed in the 2024 Government Work Report. The initiative not only aligns with the global trend of AI development, but it is also closely linked to the general trend of China's industrial upgrading, with the aim of promoting the in-depth integration of AI technology into various industries. This action reflects the high importance the government attaches to AI, which can be regarded as a policy design and layout to promote China's iteration and an upgrade from the "Internet Age" to the "AI Age", and an important aspect of developing new productive forces. By attaching great importance to AI development, China has actively promoted the deep integration of the Internet, big data, AI and the real economy, to cultivate and expand the intelligent industry and accelerate the development of new-quality productivity, 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 actively capturing development opportunities brought about by AI technology. Capitalizing on its industrial strengths, the Group will cater to the AI industry chain through Comtech and Ingdan and speed up 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 supply chain. The AI computing power supply chain is expected to embrace accelerated growth. Meanwhile, Ingdan, by leveraging its big data analysis capability of "Ingdan Cloud", has effectively integrated the 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 in China.

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-wheeler vehicle batteries, capitalizing on an important new market trend. In addition, 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, facilitating 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. *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 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 continue to 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 continue to 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. Pursuing 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 sales ability and seize the market expansion opportunities brought by AI.

First half of 2024 compared to first half of 2023

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

	Unaudited	
	Six months ended	
	June 30, 2024	June 30, 2023
	<i>(RMB in millions)</i>	
Revenue	4,321.4	3,863.5
Cost of sales	<u>(3,863.8)</u>	<u>(3,381.1)</u>
Gross profit	457.6	482.4
Other income	8.2	26.9
Selling and distribution expenses	(95.4)	(90.2)
Research and development expenses	(43.6)	(63.4)
Administrative and other operating expenses	<u>(98.6)</u>	<u>(107.9)</u>
Profit from operations	228.2	247.8
Finance costs	(57.9)	(51.8)
Share of results of associates	<u>8.3</u>	<u>0.6</u>
Profit before tax	178.6	196.6
Income tax expenses	<u>(9.5)</u>	<u>(28.5)</u>
Profit for the period	<u>169.1</u>	<u>168.1</u>
Profit for the period attributable to:		
Owners of the Company	112.7	92.5
Non-controlling interests	<u>56.4</u>	<u>75.6</u>
Profit for the period	<u>169.1</u>	<u>168.1</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the Reporting Period, profit from operations decreased and amounted to approximately RMB228.2 million, representing a decrease of approximately RMB19.6 million as compared with approximately RMB247.8 million for the corresponding period of 2023. Profit of the Group increased and amounted to approximately RMB169.1 million, representing an increase of approximately RMB1.0 million as compared with approximately RMB168.1 million for the corresponding period of 2023. Profit attributable to equity shareholders of the Company amounted to approximately RMB112.7 million, representing an increase of approximately RMB20.2 million compared with approximately RMB92.5 million for the corresponding period of 2023.

Revenue

For the Reporting Period, revenue of the Group amounted to approximately RMB4,321.4 million, representing an increase of approximately RMB457.9 million or approximately 11.9% as compared with approximately RMB3,863.5 million for the corresponding period of 2023. The Group's revenue comprised approximately RMB4,300.8 million of sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products, and approximately RMB20.6 million of revenue from IngFin Financing Services. The increase was primarily due to an increasing demand for chips on 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 Reporting Period was approximately RMB3,863.8 million, representing an increase of approximately 14.3% from approximately RMB3,381.1 million for the six months ended June 30, 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 Reporting Period was approximately RMB457.6 million, representing a decrease of approximately 5.1% from approximately RMB482.4 million for the six months ended June 30, 2023. The decrease was primarily driven by a decrease in gross margin from 12.5% for the six months ended June 30, 2023 to 10.6% for the corresponding period of 2024. The decrease was primarily contributed by a change in customer mix, in which revenue earned from large customers in first half of 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

For the Reporting Period, other income of the Group amounted to approximately RMB8.2 million, representing a decrease of approximately RMB18.7 million or approximately 69.5% as compared with approximately RMB26.9 million for the corresponding period of 2023. 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 nil amount recorded in the corresponding period of 2024. The change in other income was also primarily due to government grants of approximately RMB0.8 million recorded for the first half of 2024 as compared to approximately RMB5.7 million recorded in the corresponding period of 2023.

Selling and Distribution Expenses

Selling and distribution expenses of the Group for the Reporting Period amounted to approximately RMB95.4 million, representing an increase of approximately RMB5.2 million or approximately 5.8% from approximately RMB90.2 million over the corresponding period of 2023. This was primarily due to an increase in logistics and warehousing costs as a result of an increase in product quantities of sales. It was also contributed by an increase in other selling related costs such as marketing and promotion campaigns for new customer acquisition. The increase was offset by loss allowance on trade receivables of approximately RMB7.5 million recorded for the first half of 2024 as compared to loss allowance on trade receivables of approximately RMB26.0 million recorded in the corresponding period of 2023.

Research and Development Expenses

For the Reporting Period, research and development expenses of the Group amounted to approximately RMB43.6 million, representing a decrease of approximately RMB19.8 million or approximately 31.2% from approximately RMB63.4 million over the corresponding period of 2023. 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.

Administrative and Other Operating Expenses

Administrative and other operating expenses for the Reporting Period were approximately RMB98.6 million, representing a decrease of approximately RMB9.3 million or approximately 8.6% from approximately RMB107.9 million over the corresponding period of 2023. This was primarily due to amortization of intangible assets of approximately RMB51.1 million recorded for the first half of 2024 as compared to approximately RMB60.0 million recorded in the corresponding period of 2023.

Income Tax

Our income tax decreased by approximately RMB19.0 million or 66.7% from approximately RMB28.5 million for the six months ended June 30, 2023 to approximately RMB9.5 million for the Reporting Period, primarily due to a decrease in profit before tax as a result of the decreased profit from operations. The effective tax rate for the six months ended June 30, 2024 was 5.3%, as compared to 14.5% for the six months ended June 30, 2023. The decrease in effective tax rate was mainly due to decreased 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 Reporting Period, profit attributable to equity shareholders of the Company amounted to approximately RMB112.7 million, representing an increase of approximately RMB20.2 million or approximately 21.8% as compared with approximately RMB92.5 million for the corresponding period of 2023. The increase was primarily due to non-controlling interests amounting to approximately RMB56.4 million for the six months ended June 30, 2024 whilst approximately RMB75.6 million was recorded for the corresponding period of 2023.

Liquidity and Source of Funding

As at June 30, 2024, the current assets of the Group amounted to approximately RMB7,097.9 million, which mainly comprised cash and bank balances (including pledged deposits), inventories and trade and other receivables, in the amount of approximately RMB821.4 million, RMB4,034.4 million and approximately RMB2,023.6 million, respectively. Current liabilities of the Group amounted to approximately RMB5,289.2 million, of which approximately RMB1,725.4 million was bank loans and approximately RMB2,781.4 million was trade and other payables. As at June 30, 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 1.34, representing a decrease of 11.3% as compared with 1.51 as at 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.

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 recognized at the present value of the redemption price, being RMB630.4 million, and subsequently measured at amortized 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, 2024 or the date of this interim results announcement and does not have any breaches of financial covenants.

Capital Expenditure

For the Reporting Period, the capital expenditure of the Group amounted to approximately RMB0.6 million, compared with approximately RMB0.6 million for the corresponding period in 2023.

Net Gearing Ratio

As of June 30, 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 26.7% as compared with 25.1% as at 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 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, 2024) for the Reporting Period.

Material Acquisitions and Disposals

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, 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 and April 18, 2024 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 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 RMB318.0 million and approximately RMB287.7 million as of June 30, 2024 and December 31, 2023, 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.

Contingent Liabilities

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

There were no significant events that might affect the Group since the end of the six months ended June 30, 2024.

INTERIM FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	4,321,417	3,863,453
Cost of sales		<u>(3,863,822)</u>	<u>(3,381,146)</u>
Gross profit		457,595	482,307
Other income		8,164	26,857
Selling and distribution expenses		(95,347)	(90,163)
Research and development expenses		(43,597)	(63,399)
Administrative and other operating expenses		(98,616)	(107,862)
Finance costs		(57,889)	(51,791)
Share of results of associates		<u>8,275</u>	<u>638</u>
Profit before tax		178,585	196,587
Income tax expenses	6	<u>(9,528)</u>	<u>(28,455)</u>
Profit for the period		<u>169,057</u>	<u>168,132</u>
Profit for the period attributable to:			
Owners of the Company		112,688	92,521
Non-controlling interests		<u>56,369</u>	<u>75,611</u>
		<u>169,057</u>	<u>168,132</u>

		Six months ended 30 June	
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive (expense) income for the period			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		34,085	(23,857)
Net change in fair value of financial assets at fair value through other comprehensive income		<u>(408,076)</u>	<u>77,838</u>
Other comprehensive (expense) income for the period		<u>(373,991)</u>	<u>53,981</u>
Total comprehensive (expense) income for the period		<u>(204,934)</u>	<u>222,113</u>
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(266,131)	159,422
Non-controlling interests		<u>61,197</u>	<u>62,691</u>
		<u>(204,934)</u>	<u>222,113</u>
EARNINGS PER SHARE	8		
Basic (RMB)		<u>0.082</u>	<u>0.068</u>
Diluted (RMB)		<u>0.082</u>	<u>0.067</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024	As at 31 December 2023
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Non-current assets			
Plant and equipment		14,543	14,569
Right-of-use assets		110,404	122,702
Investment properties		220,638	222,403
Intangible assets		361,726	445,154
Goodwill		607,007	607,007
Financial assets at fair value through other comprehensive income		688,077	884,596
Loans receivables	9	450,533	284,612
Interests in associates		35,114	26,839
		<u>2,488,042</u>	<u>2,607,882</u>
Current assets			
Inventories		4,034,444	4,506,058
Trade, bills and other receivables	10	2,023,612	1,932,233
Loans receivables	9	213,804	424,635
Income tax recoverables		4,642	—
Pledged bank deposits		318,000	287,705
Cash and cash equivalents		503,430	437,777
		<u>7,097,932</u>	<u>7,588,408</u>
Current liabilities			
Trade and other payables	11	2,781,423	3,304,924
Lease liabilities		13,822	19,193
Contract liabilities		138,236	101,700
Other financial liabilities		630,375	—
Income tax payables		—	1,249
Bank loans		1,725,370	1,597,377
		<u>5,289,226</u>	<u>5,024,443</u>
Net current assets		<u>1,808,706</u>	<u>2,563,965</u>
Total assets less current liabilities		<u>4,296,748</u>	<u>5,171,847</u>

		As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Non-current liabilities			
Deferred tax liabilities		30,108	33,878
Other financial liabilities		—	610,699
Lease liabilities		<u>7,100</u>	<u>12,550</u>
		<u>37,208</u>	<u>657,127</u>
Net assets		<u>4,259,540</u>	<u>4,514,720</u>
Capital and reserves			
Share capital	<i>12</i>	1	1
Reserves		<u>3,713,987</u>	<u>3,993,792</u>
		<u>3,713,988</u>	<u>3,993,793</u>
Non-controlling interests		<u>545,552</u>	<u>520,927</u>
Total equity		<u>4,259,540</u>	<u>4,514,720</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2024

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 2024 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 D2 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 has 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 2023 except as described below.

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

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

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	
	2024	2023
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers, within the scope of HKFRS 15		
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	4,300,831	3,834,407
— Service revenue from software licensing	<u>—</u>	<u>4,622</u>
	<u>4,300,831</u>	<u>3,839,029</u>
Revenue from other sources		
— Interest income from IngFin Financing Services	<u>20,586</u>	<u>24,424</u>
	<u><u>4,321,417</u></u>	<u><u>3,863,453</u></u>

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

	Comtech <i>RMB'000</i>	Ingdan <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2024 (unaudited)			
Revenue from goods and services:			
— Sales of IC, other electronic components, AIoT products and proprietary and semi-conductor products	<u>4,042,719</u>	<u>258,112</u>	<u>4,300,831</u>
Timing of revenue recognition:			
— At a point in time	<u>4,042,719</u>	<u>258,112</u>	<u>4,300,831</u>
Geographical markets:			
— The PRC (including Hong Kong)	<u>4,042,719</u>	<u>258,112</u>	<u>4,300,831</u>
	<i>Comtech</i> <i>RMB'000</i>	<i>Ingdan</i> <i>RMB'000</i>	<i>Total</i> <i>RMB'000</i>
For the six months ended 30 June 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	<u>—</u>	<u>4,622</u>	<u>4,622</u>
	<u>3,525,070</u>	<u>313,959</u>	<u>3,839,029</u>
Timing of revenue recognition:			
— At a point in time	3,525,070	309,337	3,834,407
— Overtime	<u>—</u>	<u>4,622</u>	<u>4,622</u>
	<u>3,525,070</u>	<u>313,959</u>	<u>3,839,029</u>
Geographical markets:			
— The PRC (including Hong Kong)	<u>3,525,070</u>	<u>313,959</u>	<u>3,839,029</u>

5. SEGMENT INFORMATION

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

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

- Comtech: Sales of IC, other electronic components and AIoT products
- Ingdan: Sales of proprietary and semi-conductor products, Ingfin Financing Services, 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 2024

	Comtech <i>RMB’000</i> (Unaudited)	Ingdan <i>RMB’000</i> (Unaudited)	Total <i>RMB’000</i> (Unaudited)
Revenue			
— External revenue	4,042,719	278,698	4,321,417
— Inter-segment revenue	<u>—</u>	<u>—</u>	<u>—</u>
Segment revenue	<u>4,042,719</u>	<u>278,698</u>	4,321,417
Segment profit	<u>183,134</u>	<u>57,349</u>	240,483
Unallocated income			8,164
Unallocated corporate expenses			(20,448)
Unallocated finance costs			(57,889)
Share of results of associates			<u>8,275</u>
Profit before tax			<u>178,585</u>

For the six months ended 30 June 2023

	Comtech <i>RMB'000</i> (Unaudited)	Ingdan <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenue			
— External revenue	3,525,070	338,383	3,863,453
— Inter-segment revenue	<u>—</u>	<u>—</u>	<u>—</u>
Segment revenue	<u>3,525,070</u>	<u>338,383</u>	3,863,453
Segment profit	<u>164,104</u>	<u>84,742</u>	248,846
Unallocated income			26,857
Unallocated corporate expenses			(27,963)
Unallocated finance costs			(51,791)
Share of results of associates			<u>638</u>
Profit before tax			<u>196,587</u>

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

6. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
— PRC Enterprises Income Tax	2,278	14,695
— Hong Kong Profits Tax	<u>11,020</u>	<u>17,586</u>
	13,298	32,281
Deferred taxation	<u>(3,770)</u>	<u>(3,826)</u>
	<u>9,528</u>	<u>28,455</u>

7. DIVIDENDS

No dividend was paid, declared or proposed during the six months ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (2023: 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	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the period attributable to owners of the Company	<u>112,688</u>	<u>92,521</u>
	For the six months ended	
	30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,370,028	1,367,869
Effect of dilutive potential ordinary shares:		
Restricted share unit ("RSU")	<u>964</u>	<u>3,189</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,370,992</u>	<u>1,371,058</u>

9. LOANS RECEIVABLES

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
Analysed for reporting purpose:		
— Non-current portion	450,533	284,612
— Current portion	<u>213,804</u>	<u>424,635</u>
	<u><u>664,337</u></u>	<u><u>709,247</u></u>

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

	At 30 June 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	213,804	424,635
Over 1 year	<u>450,533</u>	<u>284,612</u>
	<u><u>664,337</u></u>	<u><u>709,247</u></u>

10. TRADE, BILLS AND OTHER RECEIVABLES

The Group allows credit period ranging from 30 to 120 days (31 December 2023: 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 2024 <i>RMB'000</i> (Unaudited)	At 31 December 2023 <i>RMB'000</i> (Audited)
Within 1 month	1,596,175	1,595,943
1 to 2 months	28,291	71,024
2 to 3 months	12,111	7,468
Over 3 months	<u>24,594</u>	<u>27,541</u>
	<u><u>1,661,171</u></u>	<u><u>1,701,976</u></u>

11. TRADE AND OTHER PAYABLES

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

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Within 1 month	310,836	377,855
1 to 3 months	2,174,927	2,819,350
Over 3 months	<u>195,876</u>	<u>46,978</u>
	<u><u>2,681,639</u></u>	<u><u>3,244,183</u></u>

The average credit period granted is 30 days (31 December 2023: 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 US\$	Shown in the condensed consolidated interim financial information RMB'000
Ordinary shares of US\$0.0000001 each			
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	<u>500,000,000,000</u>	<u>50,000</u>	<u>N/A</u>
Issued and fully paid:			
At 1 January 2023 (audited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	<u>1,394,262,732</u>	<u>139</u>	<u>1</u>

Notes:

- (i) There were no shares repurchased for cancellation during the six months ended 30 June 2024 and 2023.
- (ii) No shares were repurchased through the Stock Exchange and deposited under RSU Scheme trustee during the six months ended 30 June 2024 and 2023.
- (iii) For the six month ended 30 June 2024, 530,000 (six months ended 30 June 2023: 1,455,000) units of RSUs were vested to the beneficiaries, and approximately RMB848,000 (six months ended 30 June 2023: RMB1,842,000) 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.

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

During the six months ended June 30, 2024, 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 (including sale of treasury shares (as defined under the Listing Rules)). As of June 30, 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 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, 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 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, 2024 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.

MATERIAL LITIGATION

As of June 30, 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.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (six months ended June 30, 2023: nil).

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim 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 interim report of the Company for the Reporting Period will be published on the aforesaid websites of the Stock Exchange and the Company and the printed copies 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, August 30, 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.