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COGOBUY GROUP

科通芯城集團

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

(Stock Code: 400)

ANNOUNCEMENT

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO
THE ACQUISITION OF THE REMAINING 30% EQUITY INTEREST
IN HARDEGGS
AND
THE SUBSCRIPTION OF 25% EQUITY INTEREST
IN COMTECH INDUSTRIAL SZ**

On 17 December 2019 (after trading hours):

- (1) the Company entered into a legally binding Letter of Intent with Optimum in respect of:
 - (i) the Acquisition of 30% of the entire issued share capital of Hardeggs from Optimum by ING DAN, an indirect wholly-owned subsidiary of the Company, for a consideration of RMB35 million (equivalent to approximately HK\$39.2 million); and
 - (ii) the Subscription of Optimum in the shares of Comtech Industrial SZ, an indirect wholly-owned subsidiary of the Company, representing 25% of its entire issued share capital for RMB35 million (equivalent to approximately HK\$39.2 million),both of which are subject to the satisfaction of certain conditions precedent; and
- (2) ING DAN entered into the Sale and Purchase Agreement with Optimum, pursuant to which Optimum has agreed to sell, and ING DAN has agreed to purchase, the Sale Shares representing 30% of the issued share capital of Hardeggs at the Acquisition Consideration of RMB35 million (equivalent to approximately HK\$39.2 million).

Upon completion of the Acquisition, Hardeggs will be a wholly-owned subsidiary of the Company and the financial results of the Target Group (being Hardeggs and its direct and indirect subsidiaries) will continue to be consolidated into those of the Group.

Upon completion of the Subscription, Comtech Industrial SZ will continue to be a subsidiary of the Company and the financial results of Comtech Industrial SZ will continue to be consolidated into those of the Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of the Acquisition and the Subscription exceeds 5% but are less than 25%, each of the Acquisition and the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Optimum is a substantial shareholder of Hardeggs, an indirect subsidiary of the Company, as it holds 30% of the issued share capital of Hardeggs, and is therefore a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Therefore, each of the Acquisition and the Subscription constitutes a connected transaction of the Company. As (i) the Board has approved the Acquisition and the Subscription and (ii) all the independent non-executive Directors have confirmed that the terms of each of the Sale and Purchase Agreement and the Letter of Intent are fair and reasonable, and each of the Sale and Purchase Agreement and the Letter of Intent is on normal commercial terms and in the interests of the Company and its Shareholders as a whole, each of the Acquisition and the Subscription is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Shareholders and potential investors of the Company are reminded that each of the Acquisition and the Subscription is conditional upon the fulfillment of various conditions under the Letter of Intent and/or the Sale and Purchase Agreement and/or the Subscription Agreement. Therefore, the Acquisition and the Subscription may or may not materialize or be completed. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

LETTER OF INTENT

On 17 December 2019 (after trading hours), the Company entered into a legally binding Letter of Intent with Optimum. A summary of the principal terms of the Letter of Intent is set out below:

Date : 17 December 2019

Parties : (1) Company;
(2) Alphalink;
(3) Comtech Industrial SZ; and
(4) Optimum

Subject matter

Acquisition

The Company shall procure INGDAN, its indirect wholly-owned subsidiary, to acquire from Optimum 30% of the entire issued share capital of Hardeggs, including its direct and indirect subsidiaries (collectively, the “**Target Group**”), and substantially all of the assets, tangible and intangible, that are used in, or necessary for the conduct of the businesses of the Target Group for a consideration of RMB35 million (equivalent to approximately HK\$39.2 million) (the “**Acquisition**”). Completion of the Acquisition is subject to:

- (1) all necessary approvals, consents, waivers and/or authorizations required under all applicable laws and regulations and relevant authorities (including the Stock Exchange) and the Listing Rules in connection with the Acquisition, including without limitation the approval of the Shareholders of the Acquisition, having been obtained; and
- (2) the Target Group having conducted business in the ordinary course during the period between the date of the Letter of Intent and the date of completion of the Acquisition and there having been no material adverse change in the business, financial condition or prospects of the Target Group.

The terms and conditions of the Acquisition shall be stated in the Sale and Purchase Agreement between Optimum and INGDAN to be negotiated, agreed and executed by Optimum and INGDAN.

The Company shall ensure the continuous fulfillment of any and all commitments the Target Group have made prior to the date of the Letter of Intent to its customers, suppliers and business partners.

Subscription

Alphalink and Comtech Industrial SZ shall, and Optimum shall procure its designated nominee (“**Optimum Nominee**”) to, execute the Subscription Agreement in respect of Optimum’s subscription of shares of Comtech Industrial SZ representing 25% of its entire issued share capital for RMB35 million (equivalent to approximately HK\$39.2 million) (the “**Subscription**”), immediately upon the following conditions having been satisfied or as promptly as practicable thereafter:

- (1) Comtech Industrial SZ having acquired the entire issued share capital of each of ING DAN Beijing and ING DAN Shanghai at nominal value;
- (2) the Acquisition has been completed;
- (3) all necessary approvals, consents, waivers and/or authorizations required under all commercial arrangements, applicable laws and regulations and relevant authorities (including the Stock Exchange) and the Listing Rules in connection with the Subscription, including without limitation the approval of the Shareholders of the Subscription, having been obtained;
- (4) Comtech Industrial SZ having entered into a trust agreement with ING DAN Shenzhen in respect of Comtech Industrial SZ exercising control over Shenzhen ING DAN;
- (5) the business and intellectual property rights of ING DAN Shenzhen, as determined by Comtech Industrial SZ, and intellectual property rights and operations of internet services of each of Cogobuy.com E-commerce and Shenzhen Ingdan Information, as determined by Comtech Industrial SZ, have been duly transferred to Comtech Industrial SZ or its designated nominee(s); and
- (6) amounts due from the Company and any of its subsidiaries to Comtech Industrial SZ and/or its subsidiaries immediately after the Acquisition have been duly waived by the relevant creditors.

Due diligence

The Company shall use commercially reasonable efforts to cooperate with Optimum in connection with Optimum's due diligence review of the following entities, which should be conducted as expeditiously as possible:

- (1) Hardeggs and its direct and indirect subsidiaries for the purposes of the consummation of the Acquisition, which should be terminated upon the entering of the Sale and Purchase Agreement; and
- (2) Comtech Industrial SZ for the purposes of the consummation of the Subscription, which should be terminated upon the entering of the Subscription Agreement.

Non-competition

For a period of three years from the completion of the later of the Acquisition or the Subscription, the Company shall, and shall procure its direct and indirect subsidiaries to, refrain from conducting businesses in competition with any business of any of the Target Group and Comtech Industrial SZ and/or their respective direct and indirect subsidiaries.

Date of completion of the Acquisition and the Subscription

The Company and Optimum shall use all reasonable efforts (i) to execute the Sale and Purchase Agreement and the Subscription Agreement and complete the transactions contemplated thereunder upon the completion of the due diligence review conducted in accordance with the Letter of Intent, and (ii) to complete the Acquisition and the Subscription by 31 March 2020 or as promptly as practicable thereafter.

SALE AND PURCHASE AGREEMENT

On 17 December 2019 (after trading hours), ING DAN and Optimum entered into the Sale and Purchase Agreement, pursuant to which ING DAN agreed to purchase, and Optimum agreed to sell, the Sale Shares at the Acquisition Consideration of RMB35 million (equivalent to approximately HK\$39.2 million). A summary of the principal terms of the Sale and Purchase Agreement is set out below:

- Date** : 17 December 2019
- Parties** : (1) ING DAN (as purchaser)
(2) Optimum (as vendor)

Subject matter of the Acquisition

Optimum has agreed to sell, and ING DAN has agreed to purchase, the Sale Shares. The Sale Shares, being 30 shares of Hardeggs, represent 30% of the issued share capital of Hardeggs as at the date of the Sale and Purchase Agreement and on Completion, and shall be acquired by ING DAN free from all encumbrance.

Consideration

The purchase price payable by the Purchaser for the Sale Shares will be RMB35 million (equivalent to approximately HK\$39.2 million) (the “**Acquisition Consideration**”). The Acquisition Consideration shall be settled by ING DAN on or before Completion by wire transfer, or by such other method mutually agreeable to the parties, of immediately available funds to a bank account designated in writing by Optimum.

As the Sale Shares were issued by Hardeggs to Optimum, and were not acquired by Optimum from a third party, there is no original acquisition cost for the Sale Shares.

Basis of determination of the Acquisition Consideration

The Acquisition Consideration was agreed between ING DAN and Optimum after arm’s length negotiations on normal commercial terms with reference to, among others:

- (1) the valuation of 30% equity interest of Hardeggs of RMB88.4 million (approximately HK\$99.0 million) as at 30 June 2019 prepared by the Valuer based on market-based approach (the “**Sale Shares Valuation**”), by which the Valuer performed trading multiple analysis of a number of comparable companies. For comparability in terms of business nature and share trading regulatory environment, the Valuer selected comparable companies which are primarily engaged in similar business of the Target Group and are currently listed on the Main Board of the Stock Exchange or other stock exchanges. The Valuer adopted the average of the price-to-earnings ratios of the comparable companies (the “**P/E Ratio Average**”) as the indicator of the fair value of the comparable companies. Taking into consideration that Hardeggs is a private company with limited liquidity as compared to the listed comparable companies, the P/E Ratio Average is then adjusted to an illiquid basis by adopting a lack of marketability discount to adjust such marketable interest fair value to non-marketable interest fair value (the “**Adjusted P/E Ratio Average**”). The appraised value of Target Group was computed by multiplying the unaudited net profit of approximately RMB13.7 million for the six months ended 30 June 2019 with the Adjusted P/E Ratio Average;

- (2) the Sale Shares Valuation being comparable to the Subscription Valuation, details of which are set out in the section headed “Basis of determination of the Subscription Consideration” in this announcement;
- (3) the operating performance of Target Group for the two years ended 31 December 2017 and 2018, details of which are set out in the section headed “Financial information on the Target Group” in this announcement;
- (4) the assessment on the business development and future prospects of the Target Group by the Company’s management; and
- (5) the benefits to be derived by the Group upon the completion of the Acquisition and the Subscription as described under the section headed “Reasons for and benefits of the Acquisition and the Subscription” in this announcement.

Conditions Precedent

Completion shall be subject to the satisfaction of certain Conditions Precedent including:

- (1) all necessary approvals, consents, waivers and/or authorizations required under all applicable laws and regulations and relevant authorities, the Stock Exchange and the Listing Rules in connection with all the transactions under the Sale and Purchase Agreement (the “**Transactions**”) and/or implementation thereof and all other matters incidental thereto having been obtained and remaining in full force and effect;
- (2) no governmental authority of competent jurisdiction having enacted, issued, promulgated, enforced or entered any law (whether temporary, preliminary or permanent) that has the effect of making the Transactions illegal or other prohibiting consummation of the Transactions;
- (3) INGDAN and Optimum having obtained all consents from third parties that are necessary to be obtained for the execution and performance of the Sale and Purchase Agreement and any of the Transactions;
- (4) all representations and warranties made by INGDAN and Optimum remaining true and accurate in all material respects and not misleading, in each case as at Completion by referring to the facts and circumstances subsisting; and
- (5) INGDAN and Optimum having performed and complied with all agreements, obligations and conditions contained in the Sale and Purchase Agreement that are required to be performed or complied with by them on or before Completion.

In the event that any of the Conditions Precedent (except for those being waived in accordance with the Sale and Purchase Agreement, if any) is not fulfilled on or before the Completion Date, the Sale and Purchase Agreement shall lapse and be of no further effect.

Completion

Completion shall take place on or before 31 March 2020 or such other time as may be mutually agreed by ING DAN and Optimum after the Conditions Precedent have been fulfilled or waived (as the case may be).

Upon Completion, Hardeggs will be a wholly-owned subsidiary of the Company and the financial results of the Target Group will continue to be consolidated into those of the Group.

FINANCIAL INFORMATION OF TARGET GROUP

Set out below is the summary financial information of the Target Group for the two years ended 31 December 2017 and 2018 based on its unaudited consolidated management accounts:

	For the year ended 31 December 2017 <i>(approximately RMB'000)</i>	For the year ended 31 December 2018 <i>(approximately RMB'000)</i>
Net profit (loss) before taxation	36,842	(15,035)
Net profit (loss) after taxation	34,070	(16,385)

The unaudited net asset value of the Target Group as at 30 June 2019 as shown in the unaudited consolidated management accounts of the Target Group was approximately RMB81.2 million (equivalent to approximately HK\$90.9 million).

SUBSCRIPTION AGREEMENT

Pursuant to the Letter of Intent, Alphalink, Comtech Industrial SZ and Optimum Nominee are to execute the Subscription Agreement upon fulfilment of certain conditions set out in the paragraph headed “Letter of Intent — Subscription” in this announcement. A summary of the principal terms of the Subscription Agreement is set out below:

Capital contribution

It is agreed that Optimum Nominee holds 25% of the entire issued share capital of Comtech Industrial SZ and will inject capital of RMB35 million (equivalent to approximately HK\$39.2 million) (the “**Subscription Consideration**”) into the registered capital of Comtech Industrial SZ at a point in time agreed by all of the parties to the Subscription Agreement.

Basis of determination of the Subscription Consideration

The Subscription Consideration was agreed between ING DAN and Optimum after arm’s length negotiations on normal commercial terms with reference to, among others:

- (1) the valuation of 25% equity interest of Comtech Industrial SZ of RMB87.5 million (approximately HK\$98.0 million) as at 30 June 2019 (the “**Subscription Valuation**”) prepared by the Valuer based on market-based approach, by which the Valuer performed trading multiple analysis of a number of comparable companies. For comparability in terms of business nature and share trading regulatory environment, the Valuer selected comparable companies which are primarily engaged in similar business of Comtech Industrial SZ and its subsidiaries and are currently listed on the Main Board of the Stock Exchange or other stock exchanges. The Valuer adopted the average of the price-to-earnings ratios of the comparable companies (the “**Subscription P/E Ratio Average**”) as the indicator of the fair value of the comparable companies. Taking into consideration that Comtech Industrial SZ is a private company with limited liquidity as compared to the listed comparable companies, the Subscription P/E Ratio Average is then adjusted to an illiquid basis by adopting a lack of marketability discount to adjust such marketable interest fair value to non-marketable interest fair value (the “**Adjusted Subscription P/E Ratio Average**”). The appraised value of Comtech Industrial SZ was computed by multiplying the unaudited net profit of approximately RMB14.7 million for the six months ended 30 June 2019 with the Adjusted Subscription P/E Ratio Average;
- (2) the Subscription Valuation being comparable to the Sales Shares Valuation, details of which are set out in the section headed “Basis of determination of the Acquisition Consideration” in this announcement;

- (3) the Directors' anticipated operating performance of Comtech Industrial SZ and its subsidiaries, taking into account the operating performance of Comtech Industrial SZ and its subsidiaries for the two years ended 31 December 2017 and 2018 and the six months ended 30 June 2019, details of which are set out in the section headed "Information of the parties involved — Comtech Industrial SZ — Financial information" in this announcement;
- (4) the assessment on the business development and future prospects of Comtech Industrial SZ by the Company's management; and
- (5) the benefits to be derived by the Group upon the completion of the Acquisition and the Subscription as described under the section headed "Reasons for and benefits of the Acquisition and the Subscription" in this announcement.

Guarantee

Comtech Industrial SZ guarantees that after the capital increase of Comtech Industrial SZ, Optimum Nominee will have the right to dispose its shares in Comtech Industrial SZ, which will be free of encumbrances, and the relevant procedure under the PRC company law and the articles of association of Comtech Industrial SZ for such capital increase has been complied with. Alphalink and Comtech Industrial SZ agree to be responsible for all economic and legal liabilities incurred by Optimum Nominee arising from the breach of the aforementioned guarantee.

Right of claim

In the event that Optimum Nominee incurs any loss after being a shareholder of Comtech Industrial SZ as a result of Comtech Industrial's failure to inform Optimum Nominee of all of its liabilities prior to the execution of the Subscription Agreement, Optimum Nominee has the right of claim against Comtech Industrial SZ and Alphalink.

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE SUBSCRIPTION

Upon completion of the Subscription, the Company's shareholding in Comtech Industrial SZ through Alphalink, its direct wholly-owned subsidiary at the time of Subscription, will decrease from 100% to 75%, and Comtech Industrial SZ will continue to be a subsidiary of the Company. As such, the financial results of Comtech Industrial SZ will continue to be consolidated into those of the Group.

As the decrease in the Company's shareholding in Comtech Industrial SZ caused by the Subscription will not result in the Company losing its control over Comtech Industrial SZ, therefore, the Subscription will be accounted for as an equity transaction and the Company will not record any gain or loss in the consolidated statement of profit or loss from the Subscription under Hong Kong Financial Reporting Standards.

The net proceeds from the Subscription of RMB35 million (equivalent to approximately HK\$39.2 million) after deducting expenses in relation to the Subscription is expected to be applied for general working capital purpose of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE SUBSCRIPTION

The Acquisition and the Subscription represent a strategic move for the long-term development of the Group, given companies carrying out similar businesses will be grouped under one direct wholly-owned subsidiary of the Company. The Board believes that such clear delineation in the Group structure will facilitate the consummation of any future investment plans of the Company.

The Directors (including the independent non-executive Directors) are of the view that each of the Sale and Purchase Agreement and the Letter of Intent has been entered into on normal commercial terms, and the terms of the transactions thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Sale and Purchase Agreement and the Letter of Intent or was required to abstain from voting on the Board resolutions for considering and approving the same.

INFORMATION OF THE PARTIES INVOLVED

The Group

The Group is principally engaged in operating an enterprise service platform, dedicated to selling IC and related products and providing services to AI and IoT sectors. The Group provides customers with comprehensive online and offline services across the supply chain, from pre-sale, sale and post-sale stages through its ING DAN.com platform and a direct sales platform, along with a committed team of technical consultants and professional sales representatives.

ING DAN

ING DAN, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the British Virgin Islands that is principally engaged in investment holding.

Alphalink

Alphalink, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the British Virgin Islands that is principally engaged in investment holding.

Comtech Industrial SZ

Comtech Industrial SZ, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the PRC that is principally engaged in investment holding and IC application design and marketing platform for global IC companies, and the operation of Ingdan Lab for the design and development of AI+, DATA+ technologies and products.

Financial information

Set out below is the summary financial information of Comtech Industrial SZ for the two years ended 31 December 2017 and 2018 based on its unaudited combined management accounts as if the conditions of the Subscription have been satisfied:

	For the year ended 31 December 2017 <i>(approximately RMB'000)</i>	For the year ended 31 December 2018 <i>(approximately RMB'000)</i>
Net profit before taxation	64,448	31,676
Net profit after taxation	46,442	28,432

The unaudited net asset value of Comtech Industrial SZ and its subsidiaries as at 30 June 2019 as shown in the unaudited combined management accounts of Comtech Industrial SZ and its subsidiaries as if the conditions of the Subscription have been satisfied was approximately RMB170.9 million (equivalent to approximately HK\$191.4 million).

Optimum

Optimum is a company incorporated in the British Virgin Islands with limited liability that is principally engaged in investment holdings. As at the date of this announcement, the sole shareholder of Optimum is Ms. Shen Bing.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of the Acquisition and the Subscription exceeds 5% but are less than 25%, each of the Acquisition and the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Optimum is a substantial shareholder of Hardeggs, an indirect subsidiary of the Company, as it holds 30% of the issued share capital of Hardeggs, and is therefore a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Therefore, each of the Acquisition and the Subscription constitutes a connected transaction of the Company. As (i) the Board has approved the Acquisition and the Subscription and (ii) all the independent non-executive Directors have confirmed that the terms of each of the Sale and Purchase Agreement and the Letter of Intent are fair and reasonable, and each of the Sale and Purchase Agreement and the Letter of Intent is on normal commercial terms and in the interests of the Company and its Shareholders as a whole, each of the Acquisition and the Subscription is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Shareholders and potential investors of the Company are reminded that each of the Acquisition and the Subscription is conditional upon the fulfillment of various conditions under the Letter of Intent and/or the Sale and Purchase Agreement and/or the Subscription Agreement. Therefore, the Acquisition and the Subscription may or may not materialize or be completed. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“AI”	artificial intelligence
“Alphalink”	Alphalink Global Limited, a company incorporated in the British Virgin Islands, a direct wholly-owned subsidiary of Cogobuy Inc and the sole shareholder of Comtech Industrial SZ
“Board”	the board of Directors
“Cogobuy.com E-commerce”	Cogobuy.com E-commerce Services (Shenzhen) Limited* 庫購網電子商務(深圳)有限公司, a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Cogobuy Inc”	Cogobuy Group, Inc., a company incorporated in the British Virgin Islands and a directly wholly-owned subsidiary of the Company
“Comtech Industrial SZ”	Comtech Industrial Technology (Shenzhen) Company Limited* 科通工業技術(深圳)有限公司, a company incorporated in the PRC and a direct wholly-owned subsidiary of Alphalink
“Conditions Precedent”	the conditions precedent set out in the Sale and Purchase Agreement, details of which are set out under the paragraph headed “Sale and Purchase Agreement — Conditions Precedent” in this announcement
“Company”	Cogobuy Group (科通芯城集團), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	Completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hardeggs”	Hardeggs Holdings Limited, a company incorporated in the British Virgin Islands and a subsidiary of ING DAN
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IC”	integrated circuits
“ING DAN”	ING DAN.com Group, Inc., a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Cogobuy Inc
“ING DAN Beijing”	ING DAN.com (Beijing) Limited* 硬蛋科技(北京)有限公司, a company incorporated in the PRC and an indirect subsidiary of ING DAN
“ING DAN Shanghai”	ING DAN.com (Shanghai) Limited* 硬蛋科技(上海)有限公司, a company incorporated in the PRC and an indirect subsidiary of ING DAN
“ING DAN Shenzhen”	ING DAN.com Shenzhen Limited* 硬蛋科技(深圳)有限公司, a company incorporated in the PRC and an indirect wholly-owned subsidiary of Hardeggs
“IoT”	Internet of Things
“Letter of Intent”	the letter of intent dated 17 December 2019 and entered into between the Company, Alphalink, Comtech Industrial SZ and Optimum in relation to the Acquisition and Subscription
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Optimum”	Optimum Profuse Limited, a company incorporated in the British Virgin Islands
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Sale and Purchase Agreement”	the sale and purchase agreement dated 17 December 2019 entered into between INGDAN and Optimum in relation to the Acquisition
“Sale Shares”	30 ordinary shares with a par value of US\$1.00 each in the issued share capital of Hardeggs, legally and beneficially owned by Optimum and to be acquired by INGDAN in accordance with the terms and conditions of the Sale and Purchase Agreement
“Shenzhen INGDAN”	Shenzhen Ingdan Microelectronics Research Institute* (深圳市硬蛋微電子研究院), a social organization (社會組織) incorporated in the PRC and an indirect subsidiary of INGDAN
“Shenzhen Ingdan Information”	Shenzhen Ingdan Information Technology Co., Ltd.* (深圳市硬蛋信息技術有限公司), a company incorporated in the PRC and a direct wholly-owned subsidiary of Cogobuy.com E-commerce
“Shares(s)”	ordinary share(s) of US\$0.0000001 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement relating to the Subscription expected to be entered into by Comtech Industrial SZ, Alphalink and a designated subsidiary of Optimum
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuer”	a third-party valuer

In this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1=HK\$1.12 for illustration purpose only. No representation is made to the effect that any amount in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

By order of the Board
Cogobuy Group
KANG Jingwei, Jeffrey
Chairman and Executive Director

Hong Kong, 17 December 2019

As at the date of this announcement, the executive Directors of the Company are Mr. KANG Jingwei, Jeffrey, Mr. WU Lun Cheung Allen and Ms. NI Hong, Hope; and the independent non-executive Directors of the Company are Mr. YE Xin, Dr. MA, Qiyuan and Mr. HAO Chunyi, Charlie.

** For identification purposes only*