Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

智數科技集團有限公司
SMART DIGITAL TECHNOLOGY GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 1159)

VOLUNTARY ANNOUNCEMENT
LETTER OF INTENT FOR A POTENTIAL ACQUISITION

This is a voluntary announcement made by Smart Digital Technology Group Limited (the "**Company**").

THE LETTER OF INTENT FOR A POTENTIAL ACQUISITION

On 20 August 2025, the Company entered into a non-legally binding letter of intent for a potential acquisition (the "**Letter for Acquisition**") with the potential vendor (the "**Potential Vendor**"), pursuant to which the Company intends to carry out the potential acquisition of not less than 51% equity interest in a Shanghai Mission Information Technologies Corp., Ltd. (the "**Target Company**", and together with its subsidiaries, the "**Target Group**") as contemplated under the Letter for Acquisition (the "**Potential Acquisition**").

KEY TRANSACTION TERMS

In accordance with the terms set out in the Letter for Acquisition, the Company will acquire not less than 51% equity interest in the Target Company and the final consideration for the Potential Acquisition will be determined based on the valuation report issued by an independent valuer and the results of the Company's legal and financial due diligence, taking into account the price range of comparable transactions in the industry. The final consideration will be specified in the formal agreement.

Due Diligence

Upon reasonable notice and within a reasonable time, the Company shall be entitled to carry out due diligence investigations on the Target Group, which shall be completed in two months from the date of the Letter for Acquisition. The Potential Vendor shall, and shall procure the relevant parties, to provide assistance in this regard.

Formal Agreement

The Company and the Potential Vendor will continue to proceed with further negotiation of and enter into of a formal and binding agreement (the "**Formal Agreement**") in respect of the Potential Acquisition.

Non-Legally Binding Effect

The Letter for Acquisition is not legally binding on the parties, except for the provisions relating to due diligence, confidentiality, and applicable law.

Termination

The Letter for Acquisition will terminate upon the occurrence of any of the following circumstances: (i) mutual written agreement by both parties to terminate the Letter for Acquisition; or (ii) failure by both parties to enter into the Formal Agreement within six months from the date of signing the Letter for Acquisition.

BACKGROUND OF THE TARGET COMPANY

The Target Company is a limited liability company established in the People's Republic of China (PRC). It is a national specialized, refined, unique and innovative little giant high-tech enterprise specializing in transportation artificial intelligence (AI) and smart vehicle networking, backed by the National Small and Medium Enterprise Development Fund, several prominent enterprises, and employee shareholding.

The Target Company's business covers over 40 cities (including Beijing, Shanghai, Guangzhou, and Shenzhen), and the Hong Kong region of the PRC, as well as overseas countries such as Israel and Thailand.

The Target Company is technically led by academicians from the Chinese Academy of Sciences and experts in fields of trusted data security, AI, big data, and vehicle–road collaboration. It focuses on AI-driven digital intelligence in transportation, next-generation informatization of transportation infrastructure (encompassing safety, information technology application innovation, and digital intelligence), the industrial internet for transportation and energy, and core edge computing technologies.

The Target Company has accumulated a series of qualifications and honors, including participation in the formulation of national industry standards for urban rail transit and next-generation intelligent trains. It has obtained certifications such as CMA/CNAS form the State Grid PAL organization, International Railway Industry Standard (IRIS) certification, international safety level SIL2 certification, and the highest-level CMMI-5 software maturity model certification. It has also been recognized as a Shanghai Municipal Enterprise Technology Center and certified as a Shanghai Innovative/High-Tech/Dual-Software Enterprise.

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the Vendor is independent of and not connected with the Company and connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") of the Company.

REASONS FOR AND BENEFITS OF THE LETTER FOR ACQUISITION

The Board believes that the Potential Acquisition will enable the Group to embark on entirely new business development in the fields of transportation artificial intelligence and smart vehicle networking. Given the rapid development of transportation artificial intelligence and rail transit both nationally and globally, the business has significant growth potential. Additionally, it will expand the Group's customer base and enhance the visibility of the listed company. The Board believes that if the Potential Acquisition materializes, it will effectively strengthen the Group's core competitive barriers and create strategic pivot and returns for long-term shareholder value enhancement.

GENERAL

If the Formal Agreement materializes, the Potential Acquisition may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Company wishes to emphasize that no binding agreement in relation to the Potential Acquisition has been entered into as at the date of this announcement. As such, the Potential Acquisition may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Smart Digital Technology Group Limited
Sang Kangqiao
Co-Chairman

Hong Kong, 20 August 2025

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Sang Kangqiao, Mr. Jing Xufeng, Mr. Luo Lei, Ms. Wu Xiaoli and Mr. Hu Fanghui; and three independent non-executive directors, namely Mr. Wu Hongliang, Mr. Niu Zhongjie, and Mr. Xu Zhihao.