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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Smart Digital Technology Group Limited (the "Company") hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	**2026** **(Unaudited)** ***HK$'000***	2025 (Unaudited) *HK$'000*
REVENUE	*5*	**16,848**	11,713
Cost of sales		**(6,832)**	–
Gross profit		**10,016**	11,713
Other income and gains		**3,075**	14,385
Selling and distribution expenses		**(398)**	(1,057)
Administrative expenses		**(15,624)**	(9,991)
Gain on disposal of subsidiaries		**–**	244,670
Impairment losses on prepayments, other receivables and other assets		**–**	(90,063)
Changes in fair value of financial liabilities at fair value through profit or loss ("FVTPL") and derivative financial liabilities		**(2,517)**	(5,950)
Finance costs		**(6,872)**	(9,685)
Other expenses		**(1,388)**	(3,026)
PROFIT/(LOSS) BEFORE TAX	*6*	**(13,708)**	150,996
Income tax expense	*7*	**–**	–
PROFIT/(LOSS) FOR THE PERIOD		**(13,708)**	150,996

	Notes	**2026** **(Unaudited)** ***HK$'000***	2025 (Unaudited) *HK$'000*
Attributable to:			
Owners of the parent		**(13,708)**	150,996
Non-controlling interests		**–**	–
		(13,708)	150,996
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted			
– For profit/(loss) for the period		**HK$(9.66) cents**	HK$148.45 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**(13,708)**	150,996
OTHER COMPREHENSIVE PROFIT/(LOSS)		
Other comprehensive profit/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**321**	(623)
Net other comprehensive profit/(loss) that may be reclassified to profit or loss in subsequent periods	**321**	(623)
OTHER COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD, NET OF TAX	**321**	(623)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	**(13,387)**	150,373
Attributable to:		
Owners of the parent	**(13,387)**	150,373
Non-controlling interests	**–**	–
	(13,387)	150,373

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 (Unaudited)** ***HK$'000***	31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**209**	4
Right-of-use assets		**1,094**	–
Prepayments, other receivables and other assets		**124,274**	123,336
Investment in film and television programs and program rights		**–**	–
Intangible assets		**2,376**	2,635
Total non-current assets		**127,953**	125,975
CURRENT ASSETS			
Trade receivables	*10*	**10,849**	2,030
Prepayments, other receivables and other assets		**8,794**	6,835
Contract assets		**4,256**	4,848
Financial assets at FVTPL		**–**	37,281
Cash and cash equivalents		**35,220**	13,220
Total current assets		**59,119**	64,214
CURRENT LIABILITIES			
Other payables and accruals		**59,626**	57,179
Contract liabilities		**–**	–
Interest-bearing borrowings and film investment loans		**169,415**	166,054
Derivative financial liabilities		**28,658**	27,003
Financial liabilities at FVTPL		**71,757**	70,149
Lease liabilities		**683**	–
Tax payable		**5,969**	5,907
Total current liabilities		**336,108**	326,292

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
NET CURRENT LIABILITIES	**(276,989)**	(262,078)
TOTAL ASSETS LESS CURRENT LIABILITIES	**(149,036)**	(136,103)
NON-CURRENT LIABILITIES		
Lease liabilities	**454**	–
Net liabilities	**(149,490)**	(136,103)
EQUITY		
Share capital	**14,186**	14,186
Reserves	**(163,676)**	(150,289)
Equity attributable to owners of the parent	**(149,490)**	(136,103)
Non-controlling interests	**–**	–
Net deficit	**(149,490)**	(136,103)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

1. CORPORATE AND GROUP INFORMATION

Smart Digital Technology Group Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company is Room 406, 4/F, Far East Finance Center, 16 Harcourt Road, Hong Kong.

During the six months ended 30 June 2026, the Company and its subsidiaries (the "Group") were involved in the media and culture business and satellite business.

In the opinion of the directors of the Company (the "Directors"), the single largest shareholder of the Company is Timcha Investment Limited ("Timcha"), a company wholly owned by 江陰星輝文化傳播有限公司 (Jiangyin Starlight Communications Co., Ltd.*), a limited company incorporated in the People's Republic of China (the "PRC"). In the opinion of the Directors, as of 30 June 2026, the Company has no controlling shareholder.

* *The English name of the entity registered in the PRC represents the best efforts made by the management of the Company to translate its Chinese name as the entity does not have an official English name. The English translation of the name is for identification purposes only.*

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

The adoption of the above new and revised HKFRSs had no significant financial effect on the Group's condensed consolidated interim financial information, financial position and performance for the current period and prior years.

4. OPERATING SEGMENT INFORMATION

The principal activities of the Group are media and culture business and satellite business.

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-makers in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

The Group mainly operates in USA, Hong Kong and the PRC, and the geographical segment information as required by HKFRS 8 "Operating Segments" is presented as follows:

(a) Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
USA	**6,173**	11,713
The PRC	**10,675**	–
	16,848	11,713

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
USA	**124,274**	123,340
Hong Kong and the PRC	**3,679**	2,635
	127,953	125,975

The non-current assets information above is based on the locations of the assets and excluded other receivables and deposits.

Information about major customers

Revenue from major customers individually amounting to over 10% of the total revenue of the Group is set out below:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Customer A	**3,650**	7,980
Customer B*	**3,456**	–
Customer C*	**3,410**	–
Customer D*	**2,387**	–
Customer E*	**1,869**	–
Customer F*	**–**	3,179
	14,772	11,159

* Customer B, C, D and E did not contribute over 10% of the total revenue of the Group for the six months ended 30 June 2025. Customer F did not contribute over 10% of the total revenue of the Group for the six months ended 30 June 2026.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**16,848**	11,713

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments

	Media and culture business (Unaudited) *HK$'000*
Types of goods or services	
Revenue from films generated from USA market	**6,173**
Revenue from short and medium length dramas generated from PRC market	**7,219**
Revenue from satellite business	**3,456**
Total revenue from contracts with customers	**16,848**
Geographical markets	
United States of America	**6,173**
The PRC	**10,675**
Total revenue from contracts with customers	**16,848**
Timing of revenue recognition	
At a point in time	**16,848**
Total revenue from contracts with customers	**16,848**

For the six months ended 30 June 2025

Segments

	Media and culture business (Unaudited) *HK$'000*
Types of goods or services	
Revenue from films generated from USA market	11,713
Total revenue from contracts with customers	11,713
Geographical markets	
United States of America	11,713
Total revenue from contracts with customers	11,713
Timing of revenue recognition	
At a point in time	11,713
Total revenue from contracts with customers	11,713

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of sales	**6,832**	–
Depreciation of property, plant and equipment	**10**	12
Depreciation of right-of-use assets	**219**	–
Exchange differences, net	**1,388**	2,668
Waiver of interest payable	**–**	(12,473)

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was made as the Group did not generate any assessable profits in Hong Kong during each of the period ended 30 June 2026 and 2025. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Income tax consists income tax charged on the Group in Mainland China and United States of America ("USA"). Provision for the PRC enterprise income tax was calculated based on the statutory tax rate of 25% on the assessable income of the PRC companies during each of the periods ended 30 June 2026 and 2025. USA income tax applicable to the Group was charged at the federal corporate tax rate of 21% and state tax rate of 8.84% during each of the periods ended 30 June 2026 and 2025.

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current	**–**	–
Deferred	**–**	–
Total tax charge for the period	**–**	–

8. DIVIDENDS

No interim dividend has been paid or declared during each of the periods ended 30 June 2026 and 2025. The board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic profit/loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent of HK$13,708,000 (period ended 30 June 2025: Profit for the period attributable to ordinary equity holders of the parent of HK$150,996,000), and the weighted average number of ordinary shares of 141,856,479 (period ended 30 June 2025: 101,712,833) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2026 (period ended 30 June 2025: Nil).

10. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivable	**29,675**	20,849
Impairment	**(18,826)**	(18,819)
Net carrying amount	**10,849**	2,030

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice dates and net of loss allowance, is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 6 months	**10,849**	2,030
	10,849	2,030

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATION REVIEW

In recent years, the Group's media and culture business have been experiencing a direct and documented consequence of three successive, unforeseeable and industry-wide force majeure events:

– COVID-19 pandemic which has spread all over the world in the year of 2019;

– the concurrent strikes by Hollywood's two principal creative unions, namely the Writers Guild of America (representing screenwriters) and the Screen Actors Guild – American Federation of Television and Radio Artists (representing on-screen performers and broadcast artists) (together, the "**2023 Hollywood Dual Guild Strikes**"), being the first simultaneous dual-union strike since 1960, which consumed a full production year and caused permanent upward revision to crew labour costs; and

– the January 2025 Los Angeles wildfires, which destroyed filming locations, displaced over 680,000 industry workers, and shut down Warner Bros. Burbank, Universal Studios, and major supporting facilities.

Delays in distribution, settlement as well as receipt of income of TV drama and film investments of the Company significantly and negatively affected the operating results regarding these investments, which has been reducing the amount of revenue recognized for a few years. The Company reallocated resources within its core media and entertainment business towards the domestic short and medium length drama sector and new business sector, supplemented by a strategic expansion into the commercial aerospace and satellite business.

Revenue from its media and culture business for the six months ended 30 June 2026 was approximately HK$13.4 million, compared with approximately HK$11.7 million for the corresponding period of 2025. Revenue from its satellite business for the six months ended 30 June 2026 was approximately HK$3.4 million. However, with increased professional expenses and salaries and without the one-off net gain on the disposal of subsidiaries, the Group reported a net loss attributable to owners of the Company of approximately HK$13.7 million for the six months ended 30 June 2026 (six months ended 30 June 2025: net profit attributable to owners of the Company of approximately HK$151.0 million).

Satellite business

The Group has commenced the satellite inorbit payload verification service and has entered into a number of agreements with cooperation partners, with a key focus on artificial intelligence ("**AI**") computing power payload hosting, ground demonstration system construction, and in-orbit telemetry, tracking and control operation and maintenance, among other related businesses. The Group plans to complete its first in-orbit intelligent verification mission by the end of 2026, and to simultaneously advance the joint development of satellites, with the satellite launch mission targeted for completion by mid-2027. The Group also expected two-satellite low-orbit remote sensing constellation will be to be launched and operated by the end of 2027. The revenue for the six months ended 30 June 2026 represented the assembly and sale of customized satellite internet phased array terminals to an independent third party.

Media and Culture

The Group's movies and TV drama series products and investments, projects incubated by film directors and related prepayments amounted to approximately HK$124.3 million as at 30 June 2026 (31 December 2025: approximately HK$123.3 million), and the followings are some highlights:

Media investments and products

Crazy Rich Asians

The movie was invested and released by Warner Bros. Pictures, co-invested by the Group and directed by director Jon M. Chu (who has entered into an agreement with the Group), and was released in August 2018. The film was adapted from a best-selling novel written by Kevin Kwan under the same title, which has a solid reader base. The movie stars Constance Wu, Henry Golding, Michelle Yeoh, etc. The highly anticipated movie is the first major film that is not a period piece in Hollywood in two and a half decades to feature an all ethnically Asian cast.

Greta

The thriller/crime movie is directed by Neil Jordan who won the Academy Award for Best Original Screenplay and starring French actress Isabelle Huppert who has been nominated for the Academy Award for Best Actress. The international sales of the movie are undertaken by veteran sales agency Sierra/Affinity. The movie was premiered at the Toronto International Film Festival in September 2018 and was released in March 2019.

Midway

The Group arranged the investment in the epic drama movie, directed by the well-known director Roland Emmerich (who has entered into an agreement with the Group), produced by Mark Gordon and starring Woody Harrelson, Mandy Moore and Luke Evans. It started principal photography in 2018 and was released on 8 November 2019.

Scary Stories to Tell in the Dark

The movie is distributed in the US by Lionsgate, co-financed by CBS Films, eOne, the Group and Rolling Hills and was released in August 2019. The film is adapted from bestselling series of short horror stories, and written by Alvin Schwartz under the same title. It is directed by André Øvredal, produced by Academy Award Winner Guillermo del Toro, and written by Dan Hageman, Kevin Hageman, and Guillermo del Toro. Starring Zoe Margaret Colletti, Michael Garza, Gabriel Rush, etc., the movie's international distributor is Entertainment One and Sierra/Affinity is the foreign sales agency of the picture.

Malignant

Malignant is a 2021 American horror film directed by James Wan from a screenplay by Akela Cooper, based on a story by Wan, Ingrid Bisu, and Cooper. The film stars Annabelle Wallis as a woman who begins to have visions of people being murdered, only to realize the events are happening in real life. Maddie Hasson, George Young, Michole Briana White, and Jacqueline McKenzie are also starred. Malignant was theatrically released in the US on September 10, 2021, by Warner Bros. Pictures was simultaneously streamed on HBO Max for one month. It is streaming on YouTube, Apple TV, Google Play Movies & TV, Vudu, Amazon Prime Video, YouTube TV and Hulu now.

Marshall

The movie was obtained by the Group through acquisition. It is internationally distributed by Sony Pictures Worldwide Acquisitions Inc., and distributed by Open Road Films, LLC in North America. The movie is produced by Paula Wagner, an experienced Hollywood producer, and starring Chadwick Boseman, the leading actor of "Black Panther", and Sterling K. Brown, an Emmy Award winner and the leading actor of "This Is Us".

Umma

"Umma" is a film that stands out for its fusion of horror with a poetic and lyrical representation of Asian culture. The film was distributed by Sony Pictures on March 15, 2022. It was produced by the renowned horror maestro Sam Raimi, who is known for his work on the "Spider-Man" series and "The Evil Dead" series.

PROJECTS INCUBATING BY FILM DIRECTORS

With the commitment in further diversifying and enhancing the entertainment business of the Group so as to broaden the income sources, the Group has engaged 3 film directors.

James Wan, Jon M. Chu and Robert Zemeckis, in relation to the development and production of motion picture projects, which enable the Group to tap into the business of film production and distribution. Reference may be made to the Company's announcement dated 20 March 2020 for details of the profile of some of the projects under development. With respect to those projects that have not been completed prior to the terminations or expirations of the development agreements, the Company and those directors will continue to collaborate on the development of those projects.

Operating results

During the six months ended 30 June 2026, the Group's revenue amounted to approximately HK$16.8 million (six months ended 30 June 2025: HK$11.7 million), with a gross profit of approximately HK$10.0 million (six months ended 30 June 2025: HK$11.7 million).

In recent years, the Group's media and culture business have been experiencing a direct and documented consequence of three successive, unforeseeable and industry-wide force majeure events:

– COVID-19 pandemic which has spread all over the world in the year of 2019;

– the 2023 Hollywood Dual Guild Strikes, being the first simultaneous dual-union strike since 1960, which consumed a full production year and caused permanent upward revision to crew labour costs; and

– the January 2025 Los Angeles wildfires, which destroyed filming locations, displaced over 680,000 industry workers, and shut down Warner Bros. Burbank, Universal Studios, and major supporting facilities.

Delays in distribution, settlement as well as receipt of income of TV drama and film investments of the Company significantly and negatively affected the operating results regarding these investments, which has been reducing the amount of revenue recognized for a few years. The Company reallocated resources within its core media and entertainment business towards the domestic short and medium length drama sector and new business sector, supplemented by a strategic expansion into the commercial aerospace and satellite business. Consequently, the revenue increased during the first half of 2026 compared to the first half of 2025.

FINANCIAL REVIEW

The Group reported a net loss attributable to owners of the Company of approximately HK$13.7 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: net profit attributable to owners of the Company of approximately HK$151.0 million).

The Board considers that while the turnaround from significant profit to loss during the first half of 2026 compared to the first half of 2025 was mainly attributable to the increasing professional expenses and salaries during the period and without the impact of one-off net gain on the disposal of subsidiaries in 2025.

Basic loss per share for the six months ended 30 June 2026 amounted to approximately 9.66 HK$ cents (six months ended 30 June 2025: basic profit per share of approximately 148.45 HK$ cents).

Net deficit of the Group as at 30 June 2026 was approximately HK$149.5 million (31 December 2025: approximately HK$136.1 million).

FUTURE PLANS AND PROSPECTS

Up to the date of this announcement, the economic downturn and the negative prolonged impact of the (i) COVID-19 pandemic; (ii) 2023 Hollywood Dual Guild Strikes; and (iii) January 2025 Los Angeles wildfires will be a mid to long term issue and the world is gradually rebounding from the impact. It takes time for the entire business cycle of the Group to get back on track, it is probable that these negative impacts may continue to be reflected in the financial results of Group in the coming year(s). The Company reallocated resources within its core media and entertainment business towards the domestic short and medium length drama sector in the PRC and Southeast Asia, supplemented by a strategic expansion into the commercial aerospace and satellite business.

The Group has been exploring new business opportunities, including but not limited to the investment and production of short and medium length dramas, AI Concert and satellite business, to broaden the Group's client and revenue base. Details of the new businesses are outlined below:

– In relation to investment and production of short and medium length dramas, the Group has focused on high-quality short and medium length drama productions in the PRC and Southeast Asia. The Group operates a full-chain content production model for short dramas. As principal producer, the Group sources or commissions original scripts, engages directors, casts, and production crews, manages on-location and post-production activities, and retains full intellectual property ownership of all content produced. This provides material enhancement on operational control, faster capital recycling, and significantly higher gross margins. Up to the date of this announcement, production of certain short and medium length dramas are completed and certain short and medium length dramas expected to release by the end of 2026;

– In relation to AI Concert, the Group has expanded its Media and Culture Business into the AI-powered concert and live entertainment area. An AI Concert programme, co-produced with popular PRC companies, involving preliminary rounds to be held across multiple PRC cities, culminating in a national final to be broadcast live in PRC. The AI Concert expects to operate by the end of 2026; and

– In relation to the satellite business, the Group has commenced the satellite in orbit payload verification service and has entered into a number of agreements with cooperation partners, with a key focus on artificial intelligence ("**AI**") computing power payload hosting, ground demonstration system construction, and in-orbit telemetry, tracking and control operation and maintenance, among other related businesses. The Group plans to complete its first in-orbit intelligent verification mission by the end of 2026, and to simultaneously advance the joint development of satellites, with the satellite launch mission targeted for completion by mid-2027. The Group also expected two-satellite low-orbit remote sensing constellation will be to be launched and operated by the end of 2027.

SIGNIFICANT INVESTMENTS

There were no other significant investments held during the period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures conducted by the Group during the period that should be notified to the shareholders of the Company.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

CAPITAL STRUCTURE

Net deficit of the Group as at 30 June 2026 was approximately HK$149.5 million (31 December 2025: approximately HK$136.1 million).

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operation by internally generated cash flow, interest-bearing borrowings and other borrowings and equity financing.

As at 30 June 2026, the Group's bank balances and cash amounted to approximately HK$35.2 million (31 December 2025: approximately HK$13.2 million).

As at 30 June 2026, the current ratio was approximately 0.18 (31 December 2025: approximately 0.20) based on current assets of approximately HK$59.1 million (31 December 2025: approximately HK$64.2 million) and current liabilities of approximately HK$336.1 million (31 December 2025: approximately HK$326.3 million).

Further details regarding the liquidity of the Group are set out in "going concern assumption" of note 2.1 of the consolidated financial statements for the year ended 31 December 2025 in the 2025 annual report of the Company.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

Most of the Group's assets, liabilities and business transactions are denominated in Hong Kong Dollar, Renminbi and U.S. Dollar which have been relatively stable during the period. The Group was not exposed to material foreign exchange risk and has not employed any financial instruments for hedging purposes.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 37 (31 December 2025: 26) employees as at 30 June 2026. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also be invited to participate in the share option scheme of the Group.

EVENTS AFTER THE REPORTING PERIOD

There is no important event affecting the Group that require additional disclosures or adjustments occurred after the six months ended 30 June 2026 and up to the date of this announcement.

OTHER INFORMATION

Fund Raising Activities and Use of Proceeds

Placing of New Shares in June 2026

The Company is in the process of conducting a placing of new shares under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 29 May 2026. In June to August 2026, the Company entered into placing agreement and supplementary agreements (the "**June 2026 Placing Agreements**") with Roofer Securities Limited (the "**Placing Agent**"), pursuant to which the Placing Agent had conditionally agreed, as agent of the Company, to procure on a best effort basis not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 28,300,000 new ordinary shares of HK$0.1 each of the Company (the "**June 2026 Placing Shares**") at the placing price of HK$2.31 per Placing Share (the "**June 2026 Placing**"). The aggregate nominal value of the Placing Shares is HK$2,830,000. Subject to the completion of the June 2026 Placing, and assuming that all the June 2026 Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the June 2026 Placing will be approximately HK$65.2 million and the net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, are estimated to be approximately HK$64.1 million. The Company intends to use such net proceeds for development new businesses including the satellite business and investment in short to medium length dramas and replenishment of working capital of the Group. For details, please refer to the announcements of the Company dated 2 June 2026, 15 June 2026, 16 June 2026, 6 July 2026, 27 July 2026 and 17 August 2026.

Placing of New Shares in July 2025

To support the Group's general working capital, for repayment of debt and development of new business opportunities, on 4 July 2025 (after trading hours), the Company entered into a placing agreement (the "**Placing Agreement**") with Placing Agent, pursuant to which the Placing Agent had conditionally agreed, as agent of the Company, to procure on a best effort basis not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 23,600,000 new ordinary shares of HK$0.1 each of the Company (the "**Placing Shares**") at the placing price of HK$1.69 per Placing Share (the "**July 2025 Placing**"). The aggregate nominal value of the Placing Shares is HK$2,360,000.

All the conditions precedent under the Placing Agreement have been fulfilled and completion of the Placing took place on 25 July 2025. All of the Placing Shares have been successfully placed by the Placing Agent to not less than six (6) placees who were independent third parties and are not connected persons and persons acting in concert of the Company at the placing price of HK$1.69 per Placing Share. The gross proceeds from the July 2025 Placing were approximately HK$39.9 million, and the net proceeds, after deducting the placing commission, professional fees and all related expenses borne by the Company, from the July 2025 Placing are approximately HK$38.7 million. The Company intends to use such net proceeds to repay debts, develop new business opportunities and replenish the working capital of the Group by 2026.

The following table sets forth the details of the use of the proceeds from the July 2025 Placing:

Intended use of net proceeds	Actual amount available for utilisation	Actual amount utilised as of 30 June 2026	Remaining balance of unutilised net proceeds as at 30 June 2026
	HK$'million	*HK$'million*	*HK$'million*
Repayment of debts	22.9	22.9	–
Development of new business opportunities	11.8	–	11.8
General working capital	4.0	4.0	–
Total	**38.7**	**26.9**	**11.8**

Please refer to the announcements of the Company dated 4 July 2025, 16 July 2025, 24 July 2025 and 25 July 2025 for further details regarding the July 2025 Placing.

CORPORATE GOVERNANCE

The Board considers that the Company has complied with all code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**") throughout the six months ended 30 June 2026.

AUDIT COMMITTEE

The audit committee, comprising all the three independent non-executive Directors, has discussed with the management of the Company the accounting principles and practices adopted by the Group and reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026, and is of the opinion that the preparation of the unaudited interim condensed consolidated financial statements has complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website (www.zskj.com.hk) and the Stock Exchange's website (http://www.hkexnews.hk). The 2026 Interim Report containing all the information required by the Listing Rules will be available on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, business partners, bankers and other business associates for their trust and support.

By Order of the Board
Smart Digital Technology Group Limited
Mr. Jing Xufeng
Chairman

Hong Kong, 17 August 2026

As at the date of this announcement, the Board comprises four executive Directors, namely 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.