SILKWAVE INC
中播數據有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 471)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

(a) Revenue increased by approximately 267% to approximately US$10.8 million.

(b) Loss and total comprehensive loss for the period attributable to owners of the Company were approximately US$2.6 million and approximately US$2.6 million, respectively.

(c) Basic and diluted loss per share attributable to ordinary shareholders were approximately US0.70 cents.

The board (the "**Board**") of directors (the "**Director(s)**") of Silkwave Inc (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as to the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	NOTES	***US$'000***	*US$'000*
		(unaudited)	(unaudited)
Revenue	*4*	**10,772**	2,935
Cost of sales		**(10,277)**	(1,803)
Gross profit		**495**	1,132
Other income	*5*	**12**	1
Administrative expenses		**(1,476)**	(655)
Market development and promotion expenses		**(736)**	(33)
Finance costs	*6*	**(244)**	(384)
Share of results of an associate		**(27)**	(234)
Impairment loss recognised under expected credit loss model		**(397)**	(258)
Other expenses		**(385)**	(38)
Loss before tax		**(2,759)**	(469)
Income tax expense	*7*	**–**	–
Loss for the period	*8*	**(2,759)**	(469)
Other comprehensive expense			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(42)**	(18)
Total comprehensive expense for the period		**(2,801)**	(487)

	NOTES	Six months ended 30 June 2026 US$'000 (unaudited)	2025 US$'000 (unaudited)
Loss for the period attributable to:			
— Owners of the Company		**(2,577)**	(311)
— Non-controlling interests		**(182)**	(158)
Loss for the period		**(2,759)**	(469)
Total comprehensive expense attributable to:			
— Owners of the Company		**(2,619)**	(329)
— Non-controlling interests		**(182)**	(158)
Total comprehensive expense for the period		**(2,801)**	(487)
			(Restated)
		US cents **(unaudited)**	*US cents* (unaudited)
Loss per share			
— Basic and diluted	*9*	**0.70**	0.25

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	NOTES	**30 June 2026 US$'000 (unaudited)**	31 December 2025 US$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**3,834**	–
Intangible assets	*10*	**18,546**	18,546
Interests in an associate	*11*	**9,929**	9,956
Rights-of-use assets		**–**	4
Prepayments for property, plant and equipment		**–**	1,038
Financial assets at fair value through profit or loss		**–**	–
		32,309	29,544
CURRENT ASSETS			
Trade and other receivables	*12*	**11,481**	4,941
Amount due from a related company		**4,848**	4,589
Amount due from an associate		**–**	–
Bank balances and cash		**7,365**	390
		23,694	9,920
CURRENT LIABILITIES			
Trade and other payables	*13*	**322**	1,161
Lease liabilities		**–**	4
Income tax payable		**1,124**	2,217
		1,446	3,382
NET CURRENT ASSETS		**22,248**	6,538
TOTAL ASSETS LESS CURRENT LIABILITIES		**54,557**	36,082

	NOTES	30 June 2026 US$'000 (unaudited)	31 December 2025 US$'000 (audited)
NON-CURRENT LIABILITIES			
Convertible notes	*14*	**6,401**	6,157
Lease liabilities		**–**	–
		6,401	6,157
NET ASSETS		**48,156**	29,925
CAPITAL AND RESERVES			
Share capital	*15*	**615**	153
Share premium and reserves		**42,665**	24,714
Equity attributable to owners of the Company		**43,280**	24,867
Non-controlling interests		**4,876**	5,058
TOTAL EQUITY		**48,156**	29,925

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements 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**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a going concern basis. In preparing the consolidated financial statements, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a loss of approximately US$2.8 million for the six months ended 30 June 2026 and the Group's net current assets of approximately US$22.2 million as at 30 June 2026. In the opinion of the Directors, the Group is able to continue as a going concern in the coming year taking into consideration the measures which include, but not limited to, the following:

(a) The Group is in negotiation with potential investors to make fund-raising arrangement.

Based on the aforesaid factors, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025 ("**Annual Report 2025**").

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standard ("**HKFRSs**") issued by the HKICPA for the preparation of the Group's condensed consolidated financial statements:

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
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11

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

The Group has not adopted any other standard, interpretation or amendment that has been issued but has not yet been effective.

4. REVENUE AND SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 are as follows:

1. Trading business — Trading of media production, printed circuit board ("**PCB**") and artificial intelligence ("**AI**") related products.

2. CMMB business — Provision of transmission and broadcasting of television ("**TV**") programs.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended 30 June 2026

	Trading business *US$'000* **(unaudited)**	**CMMB business** *US$'000* **(unaudited)**	**Total** *US$'000* **(unaudited)**
Segment revenue	**3,751**	**7,021**	**10,772**
Segment (loss)/profit	**(382)**	**(770)**	**(1,152)**
Market development and promotion expenses			**(736)**
Effective interest on convertible notes			**(244)**
Share of results of an associate			**(27)**
Other income			**12**
Unallocated expenses			**(612)**
Loss for the period			**(2,759)**

Six months ended 30 June 2025

	Trading business *US$'000* (unaudited)	CMMB business *US$'000* (unaudited)	Total *US$'000* (unaudited)
Segment revenue	1,201	1,734	2,935
Segment (loss)/profit	(33)	717	684
Market development and promotion expenses			(33)
Effective interest on convertible notes			(371)
Share of results of an associate			(234)
Other income			1
Unallocated expenses			(516)
Loss for the period			(469)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) from each segment after tax without allocation of interest income and central administration expenses. This is the measure reported to the executive directors for the purpose of resources allocation and performance assessment.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Trading of media production, PCB and AI related products	**3,571**	1,201
Transmission and broadcasting services	**7,021**	1,734
	10,772	2,935

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Others	**7**	1

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Effective interest expense on convertible notes	**243**	371
Interest expense on lease liabilities	**1**	13
	244	384

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current tax:		
US Income Tax	**–**	–

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2025: 16.5%) on the estimated assessable profits for the period, except for the first HK$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the new two-tiered profits tax rates regime with effect from the year of assessment 2020/2021. No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong for both periods. In addition, the directors considered that the two-tiered profits tax rates regime is not applicable to any entity within the Group for the six months ended 30 June 2025.

For the six months ended 30 June 2026, US Income Tax is charged at 24% (six months ended 30 June 2025: 24%) on the estimated assessable profits.

Taiwan Income Tax is charged at 20% on the estimated assessable profits for both periods. No provision for Taiwan Income Tax has been made as the Group does not have assessable profit arising in Taiwan for both periods.

Under the law of the People's Republic of China (the "**PRC**") on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onward. No provision for PRC income tax has been made in the condensed consolidated financial statements as all of the PRC subsidiaries do not have taxable income for both periods.

8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Staff costs, including Directors' remuneration, Share-based payment expense and retirement benefits scheme contributions	**279**	215
Depreciation of property, plant and equipment	**202**	–
Included in other expenses:		
Legal and professional fees	**385**	80
Exchange losses, net	**22**	15

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributed to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to the owners of the Company for the purposes of calculating basic and diluted loss per share *(US$'000)*	**(2,577)**	(311)
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	**370,774,506**	122,041,653

On 2 March 2026, the Company completed a rights issue on the basis of three rights shares for every one existing ordinary share held. As the rights issue contained a bonus element, the weighted average number of ordinary shares used in the calculation of basic and diluted loss per share for the prior period ended 30 June 2025 has been adjusted retrospectively to reflect the effects of both the share consolidation and the bonus element of the rights issue.

The computation of the diluted loss per share for the six months ended 30 June 2026 and 2025 have not assumed the conversion of the Company's outstanding convertible notes since their exercise would result in a decrease in loss per share.

10. INTANGIBLE ASSETS

	Spectrum Usage rights *US$'000*
Cost	
At 31 December 2025 and 30 June 2026	87,380
Accumulated Amortisation/impairment	
At 31 December 2025	68,834
Impairment recognised for the Period	–
	68,834
Carrying Value	
At 30 June 2026	18,546
At 31 December 2025	18,546

As disclosed in note 15 of the Annual Report 2025, the spectrum usage rights represented user and operating rights over free-to-air UHF Spectrum TV Stations inclusive of the spectrum usage right, broadcasting rights and operating facilities in seven top US metropolitan cities, which are New York, Los Angeles, Dallas, San Francisco, Atlanta, Miami and Tampa.

The management conducted an impairment assessment on the spectrum usage rights on the reporting date. The directors determined that as at 30 June 2026, there is no impairment loss (six months ended 30 June 2025: Nil) recognised for the spectrum usage rights by reference to the value in use calculation.

The basis of the recoverable amounts of the above spectrum usage rights and their underlying assumptions are summarised below:

The recoverable amount of the spectrum usage rights has been determined based on a VIU calculation. The calculation uses cash flow projections based on financial budgets approved by the management covering a three-year period at a discount rate of 15.55% (six months ended 30 June 2025: 15.30%). The discount rate is determined based on the weighted average cost of capital appropriate for the spectrum usage rights. The cost of equity of 10.61% (six months ended 30 June 2025: 12.27%) for the year is calculated by: (i) the risk free rate of 4.15% (six months ended 30 June 2025: 4.58%), which is the 10 year average yield of US Government Bond Benchmark Yield Curve; (ii) the equity beta of 0.49 (six months ended 30 June 2025: 0.67), which is the adjusted beta by making reference to publicly listed companies with comparable business nature and operation sourced from Thomson Reuters; and (iii) the market risk premium of 7.31% (six months ended 30 June 2025: 7.17%), which is the difference between market rate of return and risk free rate. This long-term equity risk premium refers to the 10-year average market rate of return for the United States, sourced from Thomson Reuters. The cost of debt of 6.83% (six months ended 30 June 2025: 7.65%) for the year is estimated by referring to the US Prime Lending Rate as sourced from Thomson Reuters. Through the analysis of the industry comparables, the weight of debt and equity is estimated as 75% (six months ended 30 June 2025: 75%) and 25% (six months ended 30 June 2025: 25%) respectively. The specific risk premium this year is 3.5% (six months ended 30 June 2025: 3.5%). The spectrum usage rights' cash flow beyond the three-year period (six months ended 30 June 2025: three year period) are extrapolated using a steady growth rate of 2.24% (six months ended 30 June 2025: 2.06%) per annum. This growth rate is based on projected inflation published by the International Monetary Fund.

11. INTERESTS IN AN ASSOCIATE

	30 June 2026	31 December 2025
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Initial cost of unlisted investment in an associate	**238,350**	238,350
Share of result of associate	**(228,414)**	(228,365)
Share of exchange difference of an associate	**(7)**	(29)
	9,929	9,956

The Company acquired 20% equity interest in Silkwave Holdings Limited ("**Silkwave**") with a call option to acquire additional 31% equity interest in Silkwave on 29 May 2018. Through its wholly-owned subsidiary, Silkwave indirectly holds a geosynchronous L-band satellite operating platform, including the AsiaStar satellite capacity, its 40MHz spectrum frequency use covering China and Asia, geostationary orbital slot, network solutions, terminal applications, and a Silkwave-1 satellite design under procurement. Such a platform can offer unprecedented efficiency and economies of scale in delivering digital multimedia and internet-based content services to vehicles and mobile devices ubiquitously throughout China and Asia Pacific Region.

On the other hand, the slow capital market activities seriously delayed Silkwave's fund-raising effort for constructing and launching a new high-power satellite, which is needed for commercial service rollout in a mass-market scale. The lack of regulatory approval also hampered the fund-raising process. Accordingly, the management has continue assessed and revised its commercial operations and the expected cashflow and revenue streams associated with the business. Silkwave plans to leasing out spare satellite bandwidth to other aerospace operators in who had communication needs, given the satellite bandwidth is scale asset for communication between satellites and ground station and receiver, instead of developing the satellite connected car multimedia business in China. This allows Silkwave effectively utilise existing satellite resource for profit generating activities.

The management of the associate has evaluated the impairment of the satellite related assets by way of value in use calculation by reference to the discounted cash flows derived from financial budgets approved by the management. No impairment was recognized for the Period result of high possibility that Silkwave will gradually leasing out spare satellite bandwidth to other aerospace operators in near future. The non-current assets of Silkwave primarily consists of the satellite related intangible assets.

The Company remains confident and proactive on the regulatory approval process. Meanwhile, it is also exploring the possibility to launch satellite data-casting service in the ASEAN region to leverage and capitalize the satellite capacity owned in order to create value for the Group.

12. TRADE AND OTHER RECEIVABLES

The Group generally allows credit period between 15 to 60 days to its customers of CMMB Business and Trading Business.

The aged analysis of trade receivables, presented based on invoice date, which approximated to the respective revenue recognition dates, at the end of the reporting period are as follows:

	30 June 2026	31 December 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
0–30 days	**2,835**	853
31–60 days	**3,452**	289
61–90 days	**3,244**	289
91–120 days	**939**	729
Over 120 days	**1,245**	2,997
Total	**11,715**	5,157

13. TRADE AND OTHER PAYABLES

The average credit period granted by its suppliers is 60 days. The aged analysis of trade payables, presented based on the invoice dates, at the end of the reporting period are as follows:

	30 June 2026	31 December 2025
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade payables	**5**	523
Accruals	**317**	638
	322	1,161

14. CONVERTIBLE NOTES

On 3 September 2022, the Company issued US dollar denominated convertible notes with a principal amount of US$65,000,000 ("**2028 Convertible Notes**") to redeem all of the 2025 Convertible Notes.

The movement of the liability component of the 2028 Convertible Notes for the Period are as follows:

	US$'000
At 31 December 2025	6,157
Effective interest expenses	244
At 30 June 2026	**6,401**

15. SHARE CAPITAL

	Number of shares	**Nominal value**	**Shown as**
		HK$'000	*US$000*
	(unaudited)	(unaudited)	(unaudited)
Ordinary shares of HK$0.01 each			
At 1 January 2026	**119,940,534**	**1,199**	**153**
Issue of new shares by Rights Issue	**359,821,602**	**3,598**	**462**
At 30 June 2026	**479,762,136**	**4,797**	**615**

On 2 March 2026, the Company raised approximately HK$163,720,000 (equivalent to approximately US$20,990,000) before expenses by way of issuance of 359,821,602 new shares pursuant to the Rights Issue. The Company intends to apply the net proceeds from the Rights Issue for business development and general working capital.

Details of the Rights Issue are set out in the prospectus and the announcement of the Company dated 3 February 2026 and 2 March 2026, respectively.

The new shares rank pari passu with the existing shares in all respects.

16. CAPITAL COMMITMENTS

As at 30 June 2026, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the condensed consolidated financial statements.

17. EVENTS AFTER THE REPORTING PERIOD

Apart from those disclosed herein, there were no significant event after the Period and up to the date of this announcement.

18. LITIGATION

As at the end of the reporting period, the Group had potential litigation in US against the Company. On 18 October 2019, Mr. Hamza Farooqui ("**Mr. Farooqui**") filed a claim against Silkwave, the Company, CCH, Mr. Wong Chau Chi (a director of the Company), Dr. Liu Hui (a former director of the Company) and three other related parties of Silkwave for breach of implied contract, quantum meruit, promissory estoppel, unjust enrichment, breach of contract, fraud and fraud in the inducement, constructive trust, and defamation (the "**Claim**"). In the Claim, it is alleged that, among other matters, the defendants in the Claim are liable to Mr. Farooqui for certain work he performed for the benefit of the defendants in connection with business transactions involving satellite assets in Asia and Africa and certain compensations.

On 29 April 2026, the D.C. Court of Appeals heard oral arguments and the Company's defense strongly positioned and highlighting the lower court's well-founded dismissal, the total lack of jurisdiction, and the unmeritorious nature of the plaintiff's claims. The appellate panel took the matter under advisement, with management remaining fully confident in upholding the favorable trial outcome.

Subsequent to the reporting period ended 30 June 2026, the Company was served with two separate winding-up petitions presented to the High Court of the Hong Kong Special Administrative Region. Details of these legal proceedings are set out below:

On 24 July 2026, a winding-up petition was presented by Rachini Alley Limited against the Company in relation to alleged default under the convertible notes in the principal amount of US$7,000,000 issued by the Company on 3 September 2021. The First Petitioner claims an aggregate redemption amount to US$9,100,000 (comprising 130% of the outstanding principal amount) pursuant to the terms and conditions of the convertible notes following an alleged default in converting the notes. The petition is scheduled to be heard before the High Court on 2 October 2026.

On 18 August 2026, a second winding-up petition was presented by ANPA Financial Services Group Limited against the Company in relation to an unsatisfied Default Judgment dated 31 July 2025 obtained in the District Court of Hong Kong. The claim relates to an aggregate sum of approximately HK$476,000. The petition is scheduled to be heard before the High Court on 4 November 2026.

The Group is seeking advice from its Hong Kong legal advisers to evaluate the merits of the petitions, defend the proceedings vigorously, and apply for validation orders from the High Court where appropriate to safeguard the overall interests of the Group and its shareholders, and ensure long-term operational continuity.

19. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend to the shareholders of the Company for the six months ended 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF BUSINESS OPERATIONS

The principal activity of the Company is investment holding whilst its subsidiaries are mainly engaged in the provision of Convergent Mobile Multimedia Broadcasting ("**CMMB**"), satellite infotainment multimedia technology and services (the "**Infotainment**") for vehicles and maritime applications, and trading of media production equipments, printed circuit board ("**PCB**") and Artificial Intelligence ("**AI**") related products.

FINANCIAL REVIEW

The Group recorded loss for the six months ended 30 June 2026 (the "**Period**") of approximately US$2.8 million (six months ended 30 June 2025: approximately US$0.5 million), and loss per share of the Company (the "**Share(s)**") was US0.69 cents (six months ended 30 June 2025: US0.24 cents).

Revenue

For the Period, the Group is engaged in the provision of transmitting and broadcasting television programs, trading of media production equipments, PCB materials and AI related products with a revenue of approximately US$10.8 million (six months ended 30 June 2025: approximately US$2.9 million). The increase in revenue of approximately US$7.8 million was mainly due to the increase in lease income from the bandwidth streaming platforms which transmit high-volume video and broadcast traffic over the Group's network, bypassing cellular base stations to alleviate 5G network congestion.

Cost of sales

Cost of sales mainly includes costs of goods sold, staff costs and operating lease payments. The increase in cost of sales of approximately US$8.5 million was due to an increase in direct costs and costs of sales for the Period.

Gross profit

Gross profit decrease from approximately US$1.1 million in corresponding period in 2025 to approximately US$0.5 million in 2026, which arose primarily from lower margin for the bandwidth lease income.

Administrative expenses

Administrative expenses for the Period increased to approximately US$1.5 million compared to US$0.7 million in corresponding period of 2025.

Market development and promotion expenses

Market development and promotion expenses has increased, result of increase of business development cost to promote the Group business during the Period.

Finance costs

Finance costs of the Group for the Period amounted to approximately US$0.2 million (six months ended 30 June 2025: approximately US$0.4 million) which mainly represented effective interest expense on convertible notes. The Group did not bear any bank and other borrowings during the six months ended 30 June 2026.

Share of results of an associate

The Company shared a loss of approximately US$0.1 million (six months ended 30 June 2025: approximately US$0.2 million) for its 20% interest in Silkwave Holdings Limited ("**Silkwave**"), which is primarily due to the delay of regulatory approval for Silkwave to deploy commercial services in China and prolonged fund-raising for constructing new satellite for mass-market commercial rollout. Details are set out in note 11 of the condensed consolidated financial statements.

The impairment loss of intangible assets

As TV rental market remained strong during the Period, no provision was made for current Period. As management of the Group determined that the recoverable amount is higher than the carrying amount of the cash generating units arising from intangible assets by reference to a value-in-use ("**VIU**") calculation. which has been consistently applied for both period respectively.

One of the key assumptions for the VIU calculations is the budgeted revenue, which assumes the current contracted capacity will continue for the next three-years taking into account the upgrading from the old analogue format to the new digital format. For assessment purpose, no unutilised capacity will be filled. Such estimation is based on the past performance and management's experience.

Details are set out in note 10 to the condensed consolidated financial statements.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend to the shareholders of the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group recorded a net loss of approximately US$2.8 million during the Period. As at 30 June 2026, the Group's net current assets of approximately US$22.2 million (31 December 2025: Net current assets approximately US$6.5 million). The Group maintained cash and cash equivalents of approximately US$7.3 million (31 December 2025: approximately US$0.4 million).

A series of plans and measures have been taken to mitigate liquidity pressure and to improve the financial position of the Group. In order to enhance the liquidity and improve the financial position of the Group, the Group has refinancing its debts and proactively broaden the source of income.

CAPITAL STRUCTURE

Treasury Policies

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board also considers various funding sources depending on the Group's needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The deposits of the Group at various licensed banks have been and will continue to be conducted in accordance with the Group's treasury policy. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

Indebtedness

Convertible notes of the Group as at 30 June 2026 amounted to approximately US$6.4 million (31 December 2025: approximately US$6.2 million). The gearing ratio (a ratio of total loans to total assets) was approximately 11.4% (31 December 2025: approximately 15.6%), reflecting the Group's financial position was still at a sound level. Other than the convertible notes, the Group did not have any bank borrowings as at 30 June 2026 (31 December 2025: nil).

As at 30 June 2026, neither the Group nor the Company has any significant contingent liabilities (31 December 2025: nil).

Capital Commitments

As at 30 June 2026, neither the Group nor the Company has any significant capital expenditure contracted for but not provided in the condensed consolidated financial statements.

PLEDGE OF/CHARGE ON ASSETS

As at 30 June 2026, neither the Group nor the Company pledged or charged any properties and assets (31 December 2025: nil).

OFF-BALANCE SHEET TRANSACTIONS

As at 30 June 2026, the Group did not enter into any material off-balance sheet transactions (31 December 2025: nil).

FOREIGN EXCHANGE EXPOSURE

For the Period, most of the assets, liabilities and transactions of the Group are denominated in United States dollars. Management of the Group considers the impact of foreign exchange risk to the Group to be insignificant, therefore, the Group did not make any hedging arrangement during the Period.

SEGMENT INFORMATION

Details of segment information of the Group for the Period are set out in note 4 to the condensed consolidated financial statements.

EMPLOYEE BENEFITS

The average number of employees of the Group for the Period was approximately 35 (six months ended 30 June 2025: 18). The Group's staff costs (including directors' fees and emoluments and share-based payment expenses) for the Period amounted to approximately US$0.3 million (six months ended 30 June 2025: approximately US$0.2 million). The Group offers a competitive remuneration package to retain elite employees, including salaries, medical insurance, discretionary bonuses, other fringe benefits as well as mandatory provident fund scheme for employees in Hong Kong. The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice. Share options would be granted to respective employees with outstanding performance and contributions to the Group.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed herein, there were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group is actively exploring other business opportunities and diversify its revenue stream and bring better return to the shareholders of the Company (the "**Shareholders**").

Save as disclosed herein, the Directors currently do not have any future plans for material investments or capital assets. The Directors will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's best interests.

PROPOSED RIGHTS ISSUE

On 19 November 2025, the Company proposed to raise gross proceeds of up to approximately HK$163.72 million by way of issuing up to 359,821,602 new shares (the "**Rights Shares**") to the qualifying shareholders at the subscription price of HK$0.455 per Rights Share on the basis of three (3) Rights Shares for every one (1) existing share held on the record date (the "**Rights Issue**"). The Rights Issue will proceed on a non-underwritten basis. The closing price per Share on the Stock Exchange on 19 November 2025 was HK$0.66.

In the extraordinary general meeting of the Company held on 21 January 2026, ordinary resolution was duly passed by the shareholders of the Company by way of poll to approve the Rights Issue (as defined above) and the prospectus was despatched on 3 February 2026.

On 3 March 2026, the Rights Issue was completed. The dealings in the fully-paid Rights Shares on the Stock Exchange commenced on 4 March 2026. The net proceeds raised from the Rights Issue (after deducting expenses) are approximately HK$162.00 million.

Details of the Rights Issue are set out in the announcements of the Company dated 19 November 2025, 11 December 2025, 31 December 2025, 21 January 2026 and 2 March 2026, the circular of the Company dated 31 December 2025 and the prospectus of the Company dated 3 February 2026.

Set out below is the summary of the use of net proceeds from the Rights Issue during the Period:

	Intended use of the net proceeds (Approximate)	Utilised net proceeds for the Period (Approximate)	Unutilised net proceed as at 30 June 2026 (Approximate)	Expected timeline for unutilised net proceeds
Technology development and infrastructure for the CMMB Business	HK$54.3 million	40.2	14.0	December 2027
Development of the Trading Business	HK$47.3 million	47.3	–	December 2026
Hiring additional manpower for business expansion in the PRC	HK$13.6 million	0.8	12.8	June 2027
Marketing campaigns and promotions	HK$6.8 million	1.1	5.7	December 2026
General working capital of the Group	HK$26.4 million	13.3	13.1	December 2027
Other investment opportunities	HK$13.6 million	–	13.6	December 2027

EVENTS AFTER THE END OF THE REPORTING PERIOD

Particulars of the Group's events after the reporting period are set out in the note 17 of the Notes to the Condensed Financial Statements in this report.

PROSPECTS

The Group holds a positive and optimistic view on the long-term prospects of the broadcasting and media business. In the initial stage, the Group will primarily focus on equipment trading, including the trading and sales of broadcasting, communication, and ground receiving hardware equipment to establish a solid initial operational foundation and cash flow; subsequently, the Group plans to expand into adjacent and attached business areas to enrich its business model and broaden its revenue streams.

Throughout its operational and commercialization roadmap. On the revenue side, in addition to initial hardware monetization, the Group will progressively scale into advertising and sponsorship revenue (through commercial promotions and brand sponsorships across broadcasting platforms and media channels) distribution revenue (content distribution licensing to third-party platforms), and bandwidth capacity leasing (leasing of network bandwidth to commercial clients). On the cost and operational expense side, the Group will strictly manage relevant expenditures, which primarily comprise transponder lease fees, uplink and ground station costs, bandwidth and data traffic fees, content acquisition and IP costs, hardware and technical fulfillment costs, and direct technical operational costs for signal monitoring. The Group will review its business strategies periodically and allocate resources flexibly to drive sustainable growth and create long-term value for Shareholders.

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

During the Period, neither the Company nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the Period, the Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code throughout the Period and all the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the Period.

CODE ON CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code ("**CG Code**") contained in Appendix C1 to the Listing Rules. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

The Board considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable code provisions of the CG Code throughout the six month ended 30 June 2026 except:

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organisation structure of the Company, Mr. Chau Ngai Fung ("**Mr. Chau**") is our chairman and chief executive with effect from 25 February 2026. With his extensive experience in the industry, the Directors believe that vesting the roles of both chairman and chief executive in the same person provides the Company with strong and consistent leadership, allowing effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Chau performs both the roles of chairman and chief executive, the division of responsibilities between the chairman and chief executive is clearly established. In general, the chairman is responsible for supervising the functions and performance of the Board, while the chief executive is responsible for the management of the business of the Group. The two roles are performed by Mr. Chau distinctly. Further, the current structure does not impair the balance of power and authority between the Board and management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Cheng Chi Kin, Mr. Lam Po Chuen and Mr. Tam Hon Wah being independent non-executive Directors. Currently, Mr. Cheng Chi Kin is the chairman of the Audit Committee. The Audit Committee has reviewed and discussed, with the management, the accounting principles and policies, internal controls and financial reporting adopted by the Group, and the unaudited condensed consolidated financial statements for the Period and recommended its adoption by the Board.

The unaudited condensed consolidated financial statements for the Period was approved by the Board on 28 August 2026.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company deeply understands that shareholders are entitled to have a better understanding of the business and prospect of the Group. Therefore, the Company always makes active communication with investment community. Shareholder communication policy has been adopted to regulate and promote the efficient and sound communication among the Company, its shareholders and other stakeholders. The policy can be accessed on the Group's website.

PUBLICATION OF THE CONSOLIDATED INTERIM RESULTS AND 2026 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://silkwave.com.hk). The interim report for the six months ended 30 June 2026 will be dispatched to the Shareholders and published on the aforementioned websites in due course.

By order of the Board
SILKWAVE INC
Chau Ngai Fung
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the executive directors are Mr. Chau Ngai Fung, Ms. Hu Manqiu, Mr. Yang Tenghao and Ms. Tian Tian; and the independent non-executive directors are Mr. Cheng Chi Kin, Mr. Lam Po Chuen and Mr. Tam Hon Wah.