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智數科技集團有限公司

SMART DIGITAL TECHNOLOGY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

DECISION OF THE STOCK EXCHANGE ON RULE 13.24 OF THE LISTING RULES

This announcement is made by Smart Digital Technology Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 22 October 2026, the Company received a letter from the Stock Exchange (the “**Letter**”) notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of its shares under Rule 13.24 of the Listing Rules and that trading in the Company’s shares will be suspended under Rule 6.01(3) of the Listing Rules (the “**Decision**”). In making the Decision, the Stock Exchange has considered, among others, the following:

ON OPERATION

The media and culture business (“**Media and Cultural Business**”), being the Company’s principal business since 2017, has diminished to a small scale of operations with no new films released since 2023. Revenue from the existing film portfolio declined significantly and the Company incurred continuous losses. While the Company has shifted focus to short drama projects, an AI concert television programme and the Satellite Business, none of these initiatives has demonstrated a sufficient level of operations: the short drama and AI concert businesses remain limited in scale, and the satellite business (“**Satellite Business**”) remains at a preliminary stage with no operating track record and a significant change in business model since commencement. Overall, the Stock Exchange is not satisfied that the Company’s businesses are viable and sustainable.

Media and Culture Business

The Company’s existing film business has substantially deteriorated, and the Stock Exchange does not consider this a temporary downturn: (a) the business has diminished to a small scale, with no new films released since 2023 and revenue from the existing portfolio declining from HK\$80.3 million in the financial year ended 31 December 2023 to HK\$21.9 million in the financial year ended 31 December 2025 (“**FY2025**”). Revenue was insufficient to cover operating costs and resulting in continuous losses (excluding one-off gains) over the past five years; (b) in FY2025 the Company disposed of its subsidiaries and fully impaired its investments in films, television programmes and programme rights, with pipeline projects at an early stage or suspended and a significant portion of related prepayments impaired; while the remaining prepayment relating to potential film projects still at a preliminary stage with no concrete production or release schedule; and (c) the Company’s business plan and financial forecast indicate that revenue from the existing film portfolio will continue to decrease as the film titles age, while the proposed new film project remains at a preliminary stage and is not expected to generate revenue in the near term.

The Stock Exchange is not satisfied that the short drama business and the proposed AI concert television programme would materially improve the scale of the Company's operations or make the Media and Culture Business viable and sustainable: (a) as the existing film business declines, the Company has shifted focus to short and medium-length drama projects, but this business remains limited in scale. Completed short drama projects are expected to generate only modest revenue in the financial year ending 31 December 2026 ("FY2026"), and while the Company has projected a higher revenue from such projects for FY2026, a substantial majority of that projection depends on projects still at the planning or production stage with no distribution agreements in place. Even if achieved, the projected gross profit for FY2026 would be insufficient to cover administrative and finance costs, and the Company projects only limited revenue and gross profit from these projects in 2027, with no concrete pipeline or production plan beyond current projects to demonstrate continuing revenue and profit generation; and (b) the AI concert television programme would also make only a limited contribution to operations. The Company projects modest revenue with minimal gross profit, with only a limited portion of sponsorship income supported by signed agreements, and has entered into an agreement for the production of part of the episodes of the programme. The Stock Exchange considers such programme remains a one-off project, and the Company has not demonstrated any pipeline of similar programmes or other credible plan to generate revenue and profits beyond it.

Satellite Business

The Stock Exchange considers that the Satellite Business remains at a preliminary stage and has yet to demonstrate a viable and sustainable operation. Commenced only in 2026, the Stock Exchange considers that it has undergone a significant change in business model. The Stock Exchange considers that the Satellite Business has yet to establish an operating track record. The business is substantially different from the Company's existing Media and Culture Business, and the Company has not demonstrated any competitive advantage enabling it to secure customers and generate sustainable revenue, nor sufficiently demonstrated how its proprietary software would add substantive value or differentiate it from other market participants, nor provided sufficient evidence of its capability – including proprietary expertise, technology, infrastructure and financial resources – to undertake the necessary research and development. The Stock Exchange considers that these concerns are particularly relevant given the nature of the business and the Company's net liabilities position and funding constraints. Accordingly, the Stock Exchange is not satisfied that the Satellite Business constitutes a viable and sustainable business.

Space-air-ground intelligent system

The Company's space-air-ground intelligent system business comprises various systems, which are expected to be delivered and deployed by the end of FY2026. However, limited information has been provided regarding the actual development and commercialization of the business.

Other initiatives

The Company also attempted to diversify into other new business initiatives through the proposed acquisition and a number of letters of intent. However, these initiatives remain at a preliminary stage with no concrete business plans or definitive agreements signed, and none has materialised or generated any revenue.

ON ASSETS

Based on the latest published interim report, as at 30 June 2026, the Company recorded net current liabilities of HK\$277.0 million and net liabilities of HK\$149.5 million. The Company's auditors have issued disclaimers of opinion relating to going concern for five consecutive financial years, and the Company was in default on borrowings and film investment loans of HK\$243.5 million as at 31 December 2025. The Company has not demonstrated a concrete plan to address these liabilities or resolve the going concern disclaimer.

The Company's asset base also provides limited support for its operations. Its investments in films, television programmes and programme rights had been fully impaired in FY2025. As at 30 June 2026, total assets of HK\$187 million comprised primarily prepayments, other receivables and other assets of HK\$133.1 million, while cash and cash equivalents amounted to HK\$35.2 million, with a substantial portion of film-related prepayments also impaired in FY2025 due to doubtful recoverability and uncertainty surrounding the underlying projects. While the Company submitted that its cash resources and expected near-term receipts would be sufficient to fund operations for the next 12 months, the Stock Exchange considers that this does not address its substantial outstanding liabilities or demonstrate sufficient assets and financial resources to support the continued development of its businesses.

RIGHT TO REVIEW AND TRADING SUSPENSION AND DELISTING PROCEDURES

Under Chapter 2B of the Listing Rules, the Company has the right to have the Decision referred to the Listing Committee for review. Any request for review must be served on the Secretary of the Listing Committee within seven business days from the date of the Decision (i.e. on or before 2 November 2026). Trading in the Company's shares will be suspended on 3 November 2026 (i.e. after the expiry of seven business days from the date of the Decision) unless the Company applies for a review of the Decision.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 18 months. This is without prejudice to the Stock Exchange's right under Rules 6.01 and 6.10 of the Listing Rules to impose a specific remedial period under Rule 6.10 of the Listing Rules ending earlier than the prescribed remedial period or cancel the listing of the Company's shares immediately.

The Company is in the process of reviewing the Letter and is discussing the same internally, and will consider whether to lodge a request for the Decision to be referred to the Listing Committee for review.

The board of directors of the Company (the "**Board**") remind the shareholders (the "**Shareholders**") and potential investors of the Company that (i) the Company may or may not proceed with the review by the Listing Committee; and (ii) the outcome of such review is uncertain, if undertaken.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders who have any queries about the implications of the Decision are advised to obtain appropriate professional advice. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Smart Digital Technology Group Limited
Jing Xufeng
Chairman

Hong Kong, 22 October 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.