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SMIT HOLDINGS LIMITED

國微控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2239)

POSITIVE PROFIT ALERT

This announcement is made by SMIT Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, according to the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group expects to record a net profit of no less than US\$50 million as compared to a net profit of US\$9.9 million for the year ended 31 December 2021.

The profit for the year ended 31 December 2022 is mainly attributable to the one-off gain on divestments of Shenzhen SMIT Xintech Co., Ltd. (“**SMIT Xintech**”) and Shenzhen SMIT Jingrui Co., Ltd. (“**SMIT Jingrui**”) of approximately US\$86 million in aggregate, such divestments being part of the Company’s plan to cease the EDA business as mentioned in the Company’s voluntary announcement of 8 March 2022. Certain significant expenses incurred during the year which lower the overall net profit includes the income tax expenses in connection with the divestments of SMIT Xintech and SMIT Jingrui, the research and development expenditure on our IC solution business as well as the share of loss of our investee companies.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2022, the information contained in this announcement is only based on the Board's preliminary review of the information of the Group currently available to the Board, which includes, inter alia, the unaudited consolidated management accounts for the year ended 31 December 2022, and such information has not been reviewed by the Company's auditor and the audit committee of the Company and may be subject to changes.

Shareholders and potential investors should read carefully the announcement on annual results of the Group for the year ended 31 December 2022, which will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
SMIT Holdings Limited
Huang Xueliang
Chairman

Hong Kong, 17 March 2023

As at the date of this announcement, the executive Directors are Mr. Huang Xueliang (chairman and chief executive officer) and Mr. Loong, Manfred Man-tsun; the non-executive Directors are Mr. Kwan, Allan Chung-yuen and Mr. Cai Jing; and the independent non-executive Directors are Mr. Zhang Junjie, Mr. Woo Kar Tung, Raymond and Mr. Jin Yufeng.