SMIT HOLDINGS LIMITED
國微技術控股有限公司

(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 Company's shareholders and potential investors that, according to preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2016, the Group expects to record a substantial increase of more than 80% in its consolidated net profit for the year ended 31 December 2016 as compared to the profit recorded in the year ended 31 December 2015. The expected increase is primarily attributable to (i) a net exchange gain resulting from the depreciation of RMB against the USD, which benefited the Group's financial assets denominated in USD; (ii) a lesser amount of listing expenses was incurred in the year ended 31 December as compared to the corresponding period in 2015; and (iii) the one-off expense from the modification to the share-based compensation scheme during the year ended 31 December 2015 being no longer recurred during the year ended 31 December 2016.

Furthermore, the Group expects total revenue for the year ended 31 December 2016 to remain relatively stable with a decrease of approximately 10%, primarily due to the significant decrease in mPOS devices revenue in the first half of 2016 as compared to the corresponding period in 2015, which gradually improved in the second half of 2016.

As the Company is still in the process of finalising the Group's annual results for the year ended 31 December 2016, the information contained in this announcement is only based on the Board's preliminary review of the Group's information currently available to the Board, which includes, inter alia, the unaudited consolidated management accounts for the year ended 31 December 2016 and is not based on any figures or information which has been reviewed or audited by the Company's auditors.

Shareholders and potential investors should read carefully the announcement on the Group's annual results for the year ended 31 December 2016, 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, 2 March 2017

As at the date of this announcement, the executive Director is Mr. Huang Xueliang (chairman and chief executive officer); the non-executive Directors are Mr. Zeng Zhijie and Mr. Kwan, Allan Chung-yuen; and the independent non-executive Directors are Mr. Zhang Junjie, Mr. Woo Kar Tung, Raymond and Mr. Jin Yufeng.