SMIT HOLDINGS LIMITED

國微控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2239)

PROFIT WARNING

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 six months ended 30 June 2020, the Group expects to record a loss of not more than US$7,000,000 as compared to a loss of approximately US$2,600,000 that was recorded for the six months ended 30 June 2019.

The increase in loss is mainly attributable to the Group's continuous investment and increased research and development expenditures relating to the development of the electronic design automation ("**EDA**") business, through the Group's subsidiaries and investee companies, which requires substantial capital investment. The increased spending conforms with the Group's strategy on focusing resources on the development of the EDA sector.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2020, 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 six months ended 30 June 2020, and such information has not been reviewed by the Company's auditor or the audit committee of the Company and may be subject to change.

Shareholders and potential investors should read carefully the announcement on interim results of the Group for the six months ended 30 June 2020, 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, 7 August 2020

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