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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)**

**VOLUNTARY ANNOUNCEMENT  
BUSINESS UPDATE — ADJUSTMENT OF THE EDA  
BUSINESS STRATEGY**

This is a voluntary announcement made by SMIT Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide shareholders of the Company (“**Shareholders**”) and potential investors with business updates of the Group.

The board (the “**Board**”) of directors (“**Directors**”) wishes to inform the Shareholders that, in view of the substantial capital expenses required to sustain the development of EDA products, the Board has resolved to formulate a plan to scale down and cease the research and development of electronic design automation (“**EDA**”) products (the “**EDA Business**”) when appropriate.

However, the Board remains optimistic on the long term prospect of the EDA industry as a whole, since EDA technology is the foundation of automation in chip design and at the upstream of the integrated circuit (“**IC**”) design industry. Therefore, the Company will continue to participate in the EDA industry through existing equity investments. The Board considers that this could unlock capital and resources to further expand the IC solutions, smart sensing products and solutions as well as other businesses of our Group.

Notwithstanding the above, the Company is committed to completing all its existing projects relating to the EDA Business in hand but will not engage in any new projects relating to the EDA Business. It is currently expected that the last project relating to the EDA Business will end in 2023.

The Board considers that the above matter is in the best interest of the Company and the Shareholders as a whole and will not have any material effect on the operations of the Group.

**Shareholders and potential investors of the Company 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, March 8, 2022

*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. Cai Jing; and the independent non-executive Directors are Mr. Zhang Junjie, Mr. Woo Kar Tung, Raymond and Mr. Jin Yufeng.*