SMIT HOLDINGS LIMITED
國微技術控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2239)

VOLUNTARY ANNOUNCEMENT
SUBSCRIPTION FOR A MINORITY INTEREST IN MAINSWEB

This is a voluntary announcement made by SMIT Holdings Limited (the "**Company**").

The board of directors (the "**Board**") of the Company is pleased to announce that on 15 May 2017, Shenzhen State Micro Technology Co., Ltd.* (深圳國微技術有限公司) ("**Shenzhen State Micro**"), a wholly-owned subsidiary of the Company, completed the first stage of investment in Mainsweb Technology (Shenzhen) Company Limited* (盟山科技(深圳)有限公司) ("**Mainsweb**") pursuant to a subscription agreement entered into between Shenzhen State Micro and Mainsweb on 10 May 2017 (the "**Subscription Agreement**") to subscribe for approximately 13.33% of the total issued share of Mainsweb for a consideration of RMB20 million (the "**Investment**"). The Investment is divided into two stages. In the first stage of the Investment, Shenzhen State Micro subscribed for approximately 8.89% of the total issued share of Mainsweb for RMB13.33 million. The second stage of the Investment of RMB6.67 million will take place upon satisfaction of further closing obligations under the Subscription Agreement.

Founded in 2014, Mainsweb operates a one-stop cross-border e-commerce platform in China. It has helped over 200 foreign suppliers to enter the China market, covering over 500 different brands. These products include daily necessities for mothers and infants, beauty and cosmetics items, healthcare products and others.

At present, a large portion of cross-border e-commerce transactions in China take place on the online platforms. To help offline retailers to capture the development opportunities presented by cross-border e-commerce and to face the challenges created by the intense competition from online shopping, Mainsweb, together with the Company, has co-developed an online to offline ("**O2O**") smart terminal last year. With different sensors, the terminals allow consumers to conveniently place orders of foreign products at their local stores.

Mainsweb plans to continue to place these O2O smart terminals especially in small and medium cities in China. As a strategic investor, the Company will also be the sole supplier for Mainsweb's O2O smart terminals.

The Board considers that the investment will complement the Company's long term goal in developing smart devices, increase the sales of the Group, and allow the Group to diversify its product lines. The Board considers that the Investment and the terms of the Subscription Agreement are on normal commercial terms after arm's length negotiations between the parties and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

By order of the Board
SMIT Holdings Limited
Huang Xueliang
Chairman

Hong Kong, 17 May 2017

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. Zeng Zhijie, Mr. Kwan, Allan Chung-yuen and Mr. Gao Songtao; and the independent non-executive Directors are Mr. Zhang Junjie, Mr. Woo Kar Tung, Raymond and Mr. Jin Yufeng.

* *For identification purpose only*