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
INVESTMENT IN STORART AND SENSEL

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 8 February 2018, Shenzhen State Micro Technology Co., Ltd.* (深圳國微技術有限公司) ("**Shenzhen State Micro**") and SMIT Holdings (HK) Limited ("**SMIT HK**") have completed their investments in StorArt Technology (Shenzhen) Co., Ltd* (深圳衡宇芯片科技有限公司) ("**StorArt**") and Sensel, Inc. ("**Sensel**") respectively (the "**Investments**").

INVESTMENT IN STORART

On 8 February 2018, Shenzhen State Micro, a wholly-owned subsidiary of the Company, completed the RMB20 million investment in StorArt pursuant to an investment agreement entered into between, among others, Shenzhen State Micro and StorArt (the "**Investment Agreement**"). Upon completion of the Investment Agreement, Shenzhen State Micro held an approximately 3.4% stake in StorArt's share capital.

StorArt is an advanced integrated circuit design company based in Shenzhen, the PRC. StorArt specializes in the development of flash memory main controller integrated circuits which are mainly supplied to the communications, consumer electronics and data processing industries.

INVESTMENT IN SENSEL

On 8 February 2018, SMIT HK, a wholly-owned subsidiary of the Company, completed the USD2 million investment in Sensel pursuant to a note purchase agreement entered into between, among others, SMIT HK and Sensel (the "**Note Purchase Agreement**"). Upon completion of the Note Purchase Agreement, SMIT HK subscribed for a USD2 million promissory note which may be converted into common or preferred shares of Sensel pursuant to the terms of the Note Purchase Agreement.

Sensel is an advanced sensory technology company based in the United States. Sensel's key technology is the pressure grid technology which combines industry-leading performance and the extra dimension of control in the form of force sensitivity.

The Board considers that the Investments will complement the Group's core business of providing integrated circuit based securities solutions and allow the Group to strategically position itself at the forefront of innovation. The Group will continue to promote innovation through in-house development of advanced technologies and discovery of value and opportunities with its knowledge in the technology industry. The Board considers that the Investments and the terms of the Investment Agreement and the Note Purchase Agreement are on normal commercial terms determined 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, 27 February 2018

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*