SMIT HOLDINGS LIMITED
國微控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2239)

VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF EQUITY INTEREST IN SHENZHEN GIGA

THE DISPOSAL

The Board is pleased to announce that on 2 April 2026, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Interest at a consideration of approximately RMB266.2 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is over 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and circular and Shareholders' approval requirements under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal. Thus, no Shareholders are required to abstain from voting in favour of the resolution approving the Disposal.

A circular containing, among other things, further details of the Disposal and other information as required under the Listing Rules, and the notice convening the EGM is expected to be despatched to the Shareholders on or before 30 April 2026, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE DISPOSAL IS SUBJECT TO A NUMBER OF CONDITIONS BEING SATISFIED, AND CONSEQUENTLY THE DISPOSAL MAY OR MAY NOT PROCEED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES (IF ANY) OF THE COMPANY.

INTRODUCTION

The Board is pleased to announce that on 2 April 2026, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Interest at a consideration of approximately RMB266.2 million.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out as follows:

Date:

2 April 2026

Parties:

(i) the Vendor; and

(ii) the Purchaser

The Disposal

As at the date of this announcement, the Vendor holds 7.8125% of the total registered capital of Shenzhen Giga.

Pursuant to the Equity Transfer Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Interest.

Consideration

The Consideration of the Disposal is approximately RMB266.2 million, which was arrived at after arm's length negotiations between parties to the Equity Transfer Agreement. The parties to the Equity Transfer Agreement have considered, among other things, the following factors:

(i) the historical financial performance and business condition of Shenzhen Giga, in particular that Shenzhen Giga is in a loss-making position for the financial years ended 31 December 2023 and 2024;

(ii) the business prospects of Shenzhen Giga, in particular that the IC and related industries, including EDA, have been designated as national emerging industries receiving significant government focus and support, and the EDA industry is now entering a consolidation phase; and

(iii) the consideration of approximately RMB1.32 billion paid by the Purchaser for the acquisition of 38.7357% of the total registered capital of Shenzhen Giga recently in December 2025 (the "**Previous Acquisition**"), which was determined through a public auction. In particular, the consideration payable as per unit of registered capital of Shenzhen Giga in the Disposal is same as that of the Previous Acquisition.

The Consideration shall be settled by the Purchaser in two instalments in immediately available funds in the following manner:

(a) the Deposit, representing 10% of the Consideration, shall be paid within 5 Business Days after the date of the Equity Transfer Agreement; and

(b) the Second Instalment shall be paid within 10 Business Days after the satisfaction of the Conditions Precedent. For the avoidance of doubt, the Deposit will be treated as part of the Consideration on the date of payment of the Second Instalment.

Conditions Precedent

Payment of the Second Instalment is subject to the satisfaction or waiver by the Purchaser of the Conditions Precedents as follows:

(a) the Equity Transfer Agreement having been executed by the Vendor and the Purchaser and having taken effect;

(b) the Vendor having obtained all approval and consent (including the Shareholders' approval requirement required for the Company in relation to the Disposal (such condition cannot be waived by the Purchaser)) and such approval and consent remains entirely valid without substantially changing the commercial terms under the Equity Transfer Agreement as at the date of payment of the Second Instalment; the Vendor having complied with all disclosure and notification requirements in accordance with applicable laws and regulations;

(c) the Vendor not being subject to any judgment, arbitral award, ruling or injunction of any PRC law, court, arbitral institution or competent governmental authority that restricts, prohibits or rescinds the Disposal, and there is no pending or potential litigation, arbitration, judgment, arbitral award, ruling or injunction that has had or would have a material adverse effect on the Disposal;

(d) the representations and warranties given by the Vendor remaining true and accurate on (i) the date of the Equity Transfer Agreement and (ii) the date of payment of the Second Instalment with the same force and effect as if made on the date of the Equity Transfer Agreement, and all undertakings and agreements to be fulfilled by the Vendor on or before the payment date of the Second Instalment pursuant to the Equity Transfer Agreement having been fulfilled;

(e) the registered capital corresponding to the Target Interest held by the Vendor having been fully paid up, and the Target Interest is not subject to any pledge, freezing orders or any other circumstances which would affect the Disposal; and

(f) the Vendor having delivered to the Purchaser a certificate evidencing satisfaction of the Conditions Precedent, confirming that all Conditions Precedent have been satisfied.

If Completion does not take place within (a) nine months from the date of the Equity Transfer Agreement; or (b) six months from the date on which the Shareholders' approval is obtained (whichever is earlier), and the parties do not reach a mutual agreement to extend such period, then either party shall have the right to terminate the Equity Transfer Agreement, unless the failure to complete is caused by a party's breach and in such case the breaching party shall not have the right to terminate the Equity Transfer Agreement.

Return of the Deposit

If the Disposal was not completed or the Equity Transfer Agreement was terminated due to reasons attributable solely to the Vendor (e.g. if the Vendor sells the Target Interest to another party in contravention of the Equity Transfer Agreement), the Vendor shall, within five Business Days upon the Purchaser serving written notice to the Vendor, return double the amount of the Deposit to the Purchaser. If the Vendor does not agree with Purchaser's view that the termination of the Equity Transfer Agreement was due to reasons attributable solely to the Vendor, and the parties fail to resolve through amicable negotiation, the dispute shall be resolved by arbitration pursuant to the Equity Transfer Agreement.

If the Disposal was not completed or the Equity Transfer Agreement was terminated due to reasons not attributable solely to the Vendor, the Vendor shall, within five Business Days upon the Purchaser serving written notice to the Vendor, return the amount of the Deposit to the Purchaser. For the avoidance of doubt, if the Disposal was not completed or the Equity Transfer Agreement was terminated due to reasons such as (i) the non-cooperation of the Shenzhen Giga and/or its shareholders; or (ii) the Company not being able to obtain the relevant approval required under the Listing Rules, the non-completion of the Disposal or the termination of the Equity Transfer Agreement will not be regarded as attributable solely due to the Vendor.

In particular, if the Disposal cannot be completed as a result of any shareholder(s) of the Shenzhen Giga other than the Purchaser proposing to the Vendor to purchase all or part of the Target Interest, the Vendor shall refund to the Purchaser in full the amount of the Deposit, and shall actively consult with the Purchaser and the other shareholder(s) of Shenzhen Giga to agree on a proposal in respect of the Disposal. If the parties fail to reach, within 30 Business Days from the date on which it is determined that the Disposal cannot be completed, a proposal satisfactory to all parties, each of the Vendor and the Purchaser shall have the right to unilaterally terminate the Equity Transfer Agreement by notice to the other party, and neither party shall bear any liability for breach.

Completion

Upon fulfillment (or waiver) of all the Conditions Precedent, Completion shall take place on the date of payment of the Second Instalment.

INFORMATION ON THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

The Purchaser

The Purchaser is a venture capital fund established and registered in PRC, with its business scope limited to venture capital investment (restricted to unlisted enterprises). It focuses on investing in companies and enterprises in the field of integrated circuit electronic design automation software and its related upstream and downstream sectors through direct or indirect equity investment. Shanghai Lingang LKC Investment Co., Ltd.* (上海臨港科創投資管理有限公司) ("**Shanghai LKC**") is the executive general partner and the fund manager of the Purchaser, holding approximately 0.0007% partnership interest in the Purchaser. Shanghai Xinhechuang No. 1 Private Equity Investment Fund Partnership (Limited Partnership)* (上海芯合創一號私募投資基金合夥企業(有限合夥)) ("**Shanghai Xinhechuang**") and Primarius Technologies Co., Ltd.* (上海概倫電子股份有限公司) are the limited partners of the Purchaser, holding approximately 85.5873% and 14.4120% partnership interest in the Purchaser respectively.

Shanghai LKC is owned as to (i) 55% by Shanghai Lingzhi Enterprise Management Center (Limited Partnership) (上海靈致企業管理中心(有限合夥)), which is directly held as to 97.0588% by Wu Wei (吳巍), (ii) 30% by Shanghai Linchuang Investment Management Co., Ltd. (上海臨創投資管理有限公司), which is a PRC state-owned company, and (iii) 15% by Shenzhen Houwang Investment Management Co., Ltd. (深圳市厚望投資管理有限公司) ("**Shenzhen Houwang**"), which is held as to 99% by Zeng Zhijie (曾之傑).

Shanghai LKC is also the executive general partner and the fund manager of Shanghai Xinhechuang, holding approximately 0.136% partnership interest in Shanghai Xinhechuang. Shanghai Xinzhan Technology Co., Ltd.*（上海芯展科技有限公司）is the general partner of Shanghai Xinhechuang, holding approximately 0.045% partnership interest in Shanghai Xinhechuang. The limited partners of Shanghai Xinhechuang include Shanghai State-owned Capital Investment Master Fund Co., Ltd.*（上海國有資本投資母基金有限公司）(“**Shanghai State Fund**”) with approximately 45.372% partnership interest; and other limited partners each holding less than 30% partnership interest.

Shanghai State Fund is owned as to approximately 19.5027% by SAIC Motor (Group) Co., Ltd.*（上海汽車工業（集團）有限公司）, 19.5027% by Shanghai State-owned Capital Investment Co., Ltd.*（上海國有資本投資有限公司）and other shareholders each holding not more than 10% interest in Shanghai State Fund.

Both of SAIC Motor (Group) Co., Ltd.*（上海汽車工業（集團）有限公司）and Shanghai State-owned Capital Investment Co., Ltd.*（上海國有資本投資有限公司）are controlled by the State-owned Assets Supervision and Administration Commission of Shanghai（上海市國有資產監督管理委員會）.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

The Vendor

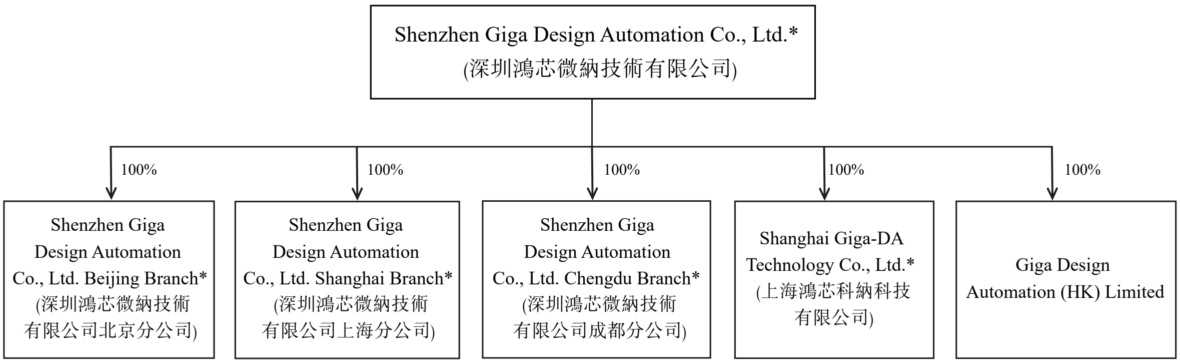
The Vendor is a wholly-owned subsidiary of the Company incorporated in the PRC with limited liability. It is the Company’s principal operating subsidiary in the PRC and is mainly engaged in developing and marketing security devices such as CAMs (for the paid TV industry) and investment holding.

Shenzhen Giga Group

Shenzhen Giga was incorporated on 12 January 2018 and is a limited liability company established in the PRC. Shenzhen Giga and its subsidiaries were established to engage in the development of EDA design software.

Shenzhen Giga has a total registered capital of RMB1.28 billion, of which a total of RMB1.113 billion have been paid-in by its shareholders.

Set out below is the corporate structure of Shenzhen Giga Group as at the date of this announcement:



Consolidated Financial Information on Shenzhen Giga Group

The following are the consolidated financial information on Shenzhen Giga Group for the two years ended 31 December 2023 and 2024:

	Audited For the year ended 31 December 2023 *US$'000*	**Audited For the year ended 31 December 2024** *US$'000*
Loss before taxation	20,755	25,213
Loss after taxation	20,761	25,210

The unaudited net asset value of Shenzhen Giga Group as at 30 June 2025 was approximately RMB301 million.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability. Its principal function is investment holding.

The Group is a leading security devices provider globally for pay TV broadcasting access in China. Meanwhile, the Group is also engaged in the following two business activities: (i) intelligent sense technology business which focuses on research, development and sales of smart sensing oriented products and solutions; and (ii) provision of integrated circuit solutions, including development and sales of integrated circuit products and related design services.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Shenzhen Giga was established by the Group in January 2018 as a vehicle to develop backend EDA tools, aligning with the Group's strategy to build a full-process EDA system. Shenzhen Giga had conducted multiple fundraising to meet its financial needs for R&D expenditures and intellectual property acquisitions. As of the date of this announcement, the Group holds a minority stake of 7.8125% of the total registered capital of Shenzhen Giga.

The IC and related industries, including EDA, have been designated as national strategic emerging industries receiving significant government focus and support. After years of development, the EDA industry is now entering a consolidation phase. The Disposal is in line with Shenzhen Giga's own strategic development needs and also aligns with the Group's strategy of downsizing its EDA investment layout and is not expected to have any adverse impact on the Group's business as the Group has previously resolved to cease the research and development of EDA products. The Board views the Disposal a good opportunity and an appropriate time to liquidate the Group's investment in Shenzhen Giga at a higher consideration.

The Company's principal business activities do not rely on the products or services of Shenzhen Giga. The Group does not have any ongoing transaction with Shenzhen Giga. As mentioned above, the Group has previously ceased the research and development of EDA products. The Group's interest in Shenzhen Giga is investment in nature. Therefore, the Disposal is expected to have no adverse impact on the Group's own business activities.

The Directors (including all independent non-executive Directors) consider that the Disposal, the terms and conditions of the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, Shenzhen Giga will cease to be an associated company of the Company. As such, the investment in Shenzhen Giga previously accounted for using the equity method on the consolidated financial statements of the Company will be derecognized.

The Company is expected to record an unaudited pre-tax gain on Disposal of approximately US$34.0 million. Such unaudited gain is estimated after taking into account of, among other things, (i) the Consideration of approximately US$38.6 million; and (ii) the unaudited carrying amount of the investment in Shenzhen Giga of approximately US$4.4 million as at 31 December 2025. The exact amount to be recorded in the consolidated income statements is subject to audit, and therefore may be different from the figure provided above. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purpose only. The actual amount of pre-tax gain on the Disposal will depend on the finalized carrying amount of the investment in Shenzhen Giga accounted for using the equity method as of the Completion Date, the stamp duty payable and other transaction costs associated with the Disposal, and therefore may be different from the amount mentioned above.

INTENDED USE OF PROCEEDS

Net proceeds from the Disposal, which have deducted expenses in relation to the Disposal, are estimated to be approximately US$38.5 million.

See below a reconciliation of the net proceeds.

Item	*US$'000*
Consideration [Note]	38,648
Less:	
Stamp duty	(19)
Professional parties' fees	(150)
Net Proceeds	**38,479**

Note:

The Consideration was converted to US$ using a conversion rate of US$1.00 to RMB6.888.

The Group intends to use 50% of the net proceeds for product research and development; 15% of the net proceeds for sales and marketing and 35% of the net proceeds as general working capital (of which approximately 11.9% as salary payment, approximately 10.5% for procurement of raw materials, 5.3% for increasing the credit line of the Group's customers, approximately 2.6% as rental and utilities payment, approximately 2.6% as professional fees and approximately 2.1% for other operating costs).

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Board"	the board of Directors
"Business Day"	a day (other than any Saturday or Sunday) on which banks in PRC are generally open for business throughout their normal business hours
"Company"	SMIT Holdings Limited (國微控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2239)
"Completion"	the completion of the Equity Transfer Agreement
"Conditions Precedent"	the conditions precedent to the payment of the Second Instalment
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration in the sum of approximately RMB266.2 million for the Disposal
"Deposit"	the deposit to the Disposal which is an amount representing 10% of the Consideration
"Director(s)"	the director(s) of the Company
"Disposal"	the transfer of the Target Interest from the Vendor to the Purchaser in accordance with the terms of the Equity Transfer Agreement
"EDA"	electronic design automation
"Equity Transfer Agreement"	the equity transfer agreement dated 2 April 2026 entered into between the Vendor and the Purchaser in relation to the Disposal

"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	a party who is not connected person of the Company and is third party independent of the Company and the connected persons of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
"Purchaser"	Shanghai Linke Xinlun Venture Capital Partnership (Limited Partnership)* (上海臨科芯倫創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Second Instalment"	the second instalment to the Consideration, representing 90% of the Consideration
"Share(s)"	ordinary share(s) with a nominal value of US$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Shenzhen Giga"	Shenzhen Giga Design Automation Co., Ltd.* (深圳鴻芯微納技術有限公司), a company established under the laws of the PRC with limited liability
"Shenzhen Giga Group"	Shenzhen Giga and its subsidiaries
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Interest"	the RMB100 million registered capital in Shenzhen Giga subscribed by the Vendor, representing 7.8125% of the total registered capital and 8.9835% of the total paid-in capital of Shenzhen Giga
"Vendor"	SMIT Group (Shenzhen) Co., Ltd.* (國微集團(深圳)有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"%"	per cent

By order of the Board
SMIT Holdings Limited
Huang Xueliang
Chairman

Hong Kong, 2 April 2026

As at the date of this announcement, the executive Directors are Mr. Huang Xueliang (chairman and chief executive officer) and Ms. Chen Ying; 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, Mr. Jin Yufeng and Ms. Zhang Min.

* *for identification purposes only*