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SIM TECHNOLOGY GROUP LIMITED

晨訊科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 2000)

PROFIT WARNING

This announcement is made by SIM Technology Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (“**Board**”) wishes to inform the shareholders (“**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 and information currently available to the Company, the Group is expected to record a loss attributable to the owners of the Company in the range of approximately HK\$20 million to HK\$50 million for the six months ended 30 June 2023 (“**1H-2023**”), which was substantially decreased as compared to that for the six months ended 30 June 2022 (“**1H-2022**”) of approximately HK\$324.9 million.

As disclosed in the Company’s annual results announcement for the year ended 31 December 2022 (“**Year 2022**”) dated 24 March 2023 and the Company’s annual report for the Year 2022, in an attempt to reduce the Group’s staff costs, the Board had begun to reorganise the top management team, remove the impractical structure of the Group, restore the divisional organisation, shut down loss-making departments through lay-off, merging departments and downsizing since the fourth quarter of the Year 2022. The Board considers that the significant decrease in loss in 1H-2023 as compared to that for 1H-2022 was principally attributable to these measures, which resulted in a considerable reduction in the Group’s research and

development expenses, selling and distribution costs and administrative expenses.

Shareholders should note that the Company is still in the process of (i) evaluating the change in fair value of the Group's financial assets and investment properties; and (ii) performing impairment assessment on certain current and non-current assets of the Group. The aforementioned loss attributable to owners of the Company is subject to adjustment after the finalisation of the fair value valuation and impairment assessment.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 and information currently available to the Company, and is not based on any figures or information which have been audited or reviewed by the Company's auditors. There may be changes or adjustments following further review of the unaudited management accounts for 1H-2023 by the Board.

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
SIM Technology Group Limited
Wong Cho Tung
Executive Director

21 July 2023

As at the date of this announcement, the executive directors of the Company are Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Liu Jun and Mr Zhu Wenhui, the non-executive director of the Company is Mr Wong Hei, Simon, and the independent non-executive directors of the Company are Mr Liu Hing Hung, Mr Wu Zhe and Mr Li Minbo.

** For identification purposes only*