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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)

### **UPDATE ON 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).

This announcement is made further to and an update on the profit warning announcement of the Company dated 30 June 2022 (“**June Announcement**”) in respect of the interim results of the Company for the six months ended 30 June 2022 (“**1H-2022**”).

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 2022 (“**1H-2022**”), the Group is expected to record loss attributable to the owners of the Company from continuing operations for 1H-2022 in the range of approximately HK\$310.0 million to HK\$340.0 million for 1H-2022, as compared to that for the six months ended 30 June 2021 of approximately HK\$60.5 million.

As disclosed in the June Announcement, the Board considers that one of the reasons for the significant increase in loss was the mandatory restrictions imposed in parts of the PRC (especially Shanghai) to combat the coronavirus disease (COVID-19) pandemic since mid-March 2022, which had affected the Group’s deliveries. Given that the Group’s headquarter is situated in Shanghai, the effect was relatively substantial. Failure to reach

the expected levels of turnover and average gross profit margin, increase in research and development expenses, selling and distribution costs and administrative expenses in 1H-2022, and fluctuation in the exchange rate of RMB against US dollars have caused the significant increase in loss. In addition, the Board concluded there was indication for impairment in long-term assets of the Handsets and IOT terminal business and EMS business, impairment loss on intangible assets, property, plant and equipment and right-of-use asset relating to Handsets and IOT terminals business and certain receivables have been made in 1H-2022 after conducting impairment assessment on these assets which also caused the significant increase in loss.

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 2022 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-2022 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*

19 August 2022

*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, Mr Zhu Wenhui and Mr Gao Jun, 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*