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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)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHT**

#### **THE ASSIGNMENT CONTRACT**

On 21 September 2022, the Vendor and Guangdong SIM entered into the Assignment Contract in respect of the purchase of the Land by Guangdong SIM at the consideration of RMB38,700,000 (equivalent to HK\$43,731,000).

#### **LISTING RULES IMPLICATIONS**

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 21 September 2022, the Vendor and Guangdong SIM entered into the Assignment Contract in respect of the purchase of the Land by Guangdong SIM, the principal terms of which are set out below.

## THE ASSIGNMENT CONTRACT

<b>Date:</b>	21 September 2022
<b>Parties:</b>	(1) The Vendor (as assignor)  (2) Guangdong SIM (as assignee)
<b>Location of the Land:</b>	東莞市黃江鎮星光村 (unofficial English translation as Dongguan City Huangjiang Town Xingguang Village) in the PRC
<b>Site area:</b>	38,815.68 sq.m.
<b>Permitted usage:</b>	Industrial use
<b>Term of land use right:</b>	50 years from 21 September 2022 to 20 September 2072
<b>Consideration:</b>	The total consideration for acquiring the land use rights of the Land, and also the value thereof, is RMB38,700,000 (equivalent to HK\$43,731,000), which shall be payable by cash before 5 October 2022.

The consideration has been paid and was financed by the proceeds of a disposal as detailed in the circular of the Company dated 18 January 2018 in relation to a major disposal of the Company and the announcement of the Company dated 26 January 2021.

The consideration of the land use rights of the Land was arrived at as a result of a successful bid by Guangdong SIM at a public auction after taking into account the location and permitted usage of the Land.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

Reference is made to the announcement of the Company dated 26 January 2021, in which the Company announced its development plan in Huangjiang Town, Dongguan. The Directors considered that the strategic location of the Land is beneficial to the development of a technological industrial park.

The Directors are of the view that the Acquisition is in the interests of the Company and the terms of the Assignment Contract are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE PARTIES**

### **The Group**

The Group is principally engaged in the manufacturing, design and development and sale of handsets and internet of things (IOT) terminals business, electronic manufacturing services business and property management in the PRC.

### **The Vendor**

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is an organisation responsible for managing the assets collectively owned by more than 400 households in Xingguang Village in Huangjiang Town in Dongguan City in the PRC and the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Guangdong SIM**

Guangdong SIM is an indirect wholly-owned subsidiary of the Company and is principally engaged in development of a technological industrial park in Huangjiang Town, Dongguan.

## **IMPLICATION UNDER THE LISTING RULES**

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **REMEDIAL ACTIONS**

The Company deeply regrets that the Acquisition had not timely complied with the notification and announcement requirements. Around the time of the Acquisition, the Group was undergoing management restructuring and transitional work relating to the resignation of an executive Director and the chief executive officer of the Group, and therefore, leading to the inadvertent overlook of the Listing Rules compliance work of the Acquisition. This incident was revealed upon internal review of significant contracts of the Group and the Company has immediately published this announcement.

In order to prevent similar incident from happening again in the future, the Company has taken the following measures: (1) the Company Secretary of the Company will issue reminder and questionnaire to the management of the Company on no less frequent than a monthly basis to keep track of the progress of any significant transactions of the Group so as to plan for the compliance work well in advance; (2) the Company has further enhanced the internal compliance system to allow the Company Secretary of the Company to sit in the senior management decision process so as to monitor the progress of significant transactions which are subject to Listing Rules compliance.

## DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Land by Guangdong SIM
“Assignment Contract”	the assignment contract of the right to use collective construction land entered into between the Vendor and Guangdong SIM dated 21 September 2022
“Board”	the board of Directors
“Company”	SIM Technology Group Limited (stock code: 2000), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangdong SIM”	廣東晨訊科技有限公司 (unofficial English translation being Guangdong SIM Technology Limited), a wholly foreign owned enterprise established in the PRC on 29 June 2021 and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land situated at 東莞市黃江鎮星光村 (unofficial English translation as Dongguan City Huangjiang Town Xingguang Village) in the PRC, with a site area of 38,815.68 sq. m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	東莞市黃江鎮星光股份經濟聯合社 (unofficial English translation being Dongguan City Huangjiang Town Xingguang Stock Economic Collective Society), a collective economic organisation in Dongguan City Huangjiang Town of the PRC

By order of the Board  
**SIM Technology Group Limited**  
**Wong Cho Tung**  
*Executive Director*

24 October 2022

*For illustration purpose only, amounts quoted in RMB have been translated in HK\$ using an exchange rate if RMB1 = HK\$1.13.*

*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*