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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 the Company pursuant to Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is the current estimate of the Company's management that the Group is likely to incur further loss for FY2012 as compared to FY2011.

Please note that the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available. Such information has not been audited or reviewed by the auditors of the Company and that the actual results for the Group may be different from what is disclosed herein. Shareholders and investors should read carefully the results announcement of the Company for FY2012, which is expected to be published on or around 21 March 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

In the Company's interim results announcement dated 21 August 2012, it was disclosed that, among other things, the Group recorded further loss for the six months ended 30 June 2012 as compared to the same period of last year. The Board wishes to inform shareholders and potential investors of the Company that the factors causing such loss continued to exist in the second half of 2012, and therefore, it is the current estimate of the Company's management that the Group is likely to incur further loss for the year ended 31 December 2012 ("**FY2012**") as compared to the year ended 31 December 2011 ("**FY2011**").

In addition, the management of the Company has also estimated probable recognition of impairment of (i) the goodwill arising from the acquisition of Smartwireless Technology Limited in year 2009; and (ii) the intangible assets (including capitalised development costs of those previous projects which is expected not to bring in future revenue to the Group). The exact amount of the impairment on the goodwill is yet to be determined. The Board would like to emphasize that the impairment on goodwill and intangible assets is a non-cash accounting treatment and has no effect on the cash flow of the Group's operations.

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

Hong Kong, 17 January 2013

As at the date of this announcement, the executive directors of the Company are Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Wong Hei, Simon, Mr Zhang Jianping, Ms Tang Rongrong and Mr Chan Tat Wing, Richard, and the independent non-executive directors of the Company are Mr Liu Hing Hung, Mr Xie Linzhen and Mr Dong Yunting.

** For identification purposes only*