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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

The Board would like to inform the shareholders of the Company and potential investors that it is expected that the Group's results for the second half of 2013 is still not profitable and the Group will continue to record loss for FY2013.

The Company is still in the process of finalising the consolidated annual results of the Group for FY2013. The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors. Finalised annual results of the Group and other details will be disclosed in the 2013 annual report to be published by the Company.

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, the “**Group**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company would like to inform the shareholders of the Company and potential investors that it is expected that the Group’s results for the second half of 2013 is still not profitable and the Group will continue to record loss for the year ending 31 December 2013 (“**FY2013**”).

Such loss is primarily attributable to the reasons as follows: (i) the new business of the Group is still under development, and has not yet brought in satisfactory return to the Group in FY2013; and (ii) the management of the Company has also estimated probable recognition of impairment of the intangible assets (including capitalised development costs of those previous projects which is expected not to bring in future revenue to the Group) and impairment of the property, plant and equipment. The exact amount of the impairment is yet to be determined but it is expected that such amount will be increased as compared to that in the year ended 31 December 2012. The Board would like to emphasize that the impairment 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, 13 December 2013

As at the date of this announcement, the executive directors of the Company are Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Zhang Jianping, Ms Tang Rongrong Mr Chan Tat Wing, Richard, and Mr Liu Hong 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*