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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 five months ended 31 May 2022 and information currently available to the Company, the Group has already incurred a loss attributable to the owners of the Company from continuing operations in the range of approximately HK\$170 million to HK\$180 million for the five months ended 31 May 2022. Accordingly, it is expected that the loss attributable to the owners of the Company from continuing operations for the six months ended 30 June 2022 (“**1H-2022**”) will increase significantly, as compared to that for the six months ended 30 June 2021 of approximately HK\$60.5 million.

The Board considers that one of the reasons for the significant increase in loss was, as disclosed in the Company’s announcements dated 14 April 2022, 11 May 2022 and 10 June 2022, 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. In addition, fluctuations in the RMB exchange rate and failure to reach

the expected levels of turnover and average gross profit margin 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 five months ended 31 May 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

30 June 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*