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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)

TERMINATION OF THE MAJOR TRANSACTION

Reference is made to the circular of SIM Technology Group Limited (“**Company**”) dated 28 February 2017 (“**Circular**”) in relation to the disposal of technology and assets in relation to wireless communication modules business (“**Disposal**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings as defined in the Circular.

The Board would like to announce that the Group and u-blox AG have mutually agreed not to proceed with the Disposal. Despite best efforts on the part of the Group and u-blox AG, the Group and u-blox AG could not close the Disposal as originally intended and were unable to find alternatives that worked for both parties whilst sustaining the intended benefits. Both parties have therefore decided to amicably terminate the Asset Purchase Agreement and Technology Assignment Contract and all ancillary agreements on 21 May 2017.

The Board is of the view that there will not be material adverse effects on the operation and financial performance of the Group as a result of the termination of the Disposal.

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

22 May 2017

As at the date of this announcement, the executive directors of the Company are Ms Yeung Man Ying, Mr Wong Cho Tung, Ms Tang Rongrong, Mr Chan Tat Wing, Richard, Mr Liu Hong and Mr Liu Jun, and the independent non-executive directors of the Company are Mr Liu Hing Hung, Mr Wang Tianmiao and Mr Wu Zhe.

** For identification purposes only*