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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 (“**Board**”) of directors of the Company (“**Directors**”) 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 year ended 31 December 2024 (“**FY2024**”) and information currently available to the Company, the Group is expected to record a loss attributable to the owners of the Company for FY2024 in the range of approximately HK\$75.0 million to HK\$115.0 million, as compared to the profit attributable to the owners of the Company of approximately HK\$344.3 million recorded for the year ended 31 December 2023 (“**FY2023**”).

The Board considers that the primary reasons for the Group's expected turnaround to loss for FY2024 are consistent with the circumstances disclosed in the 2024 interim report. Firstly, the domestic and international economic conditions continue to deteriorate, coupled with the significant losses incurred in the first half of the year, making it difficult to reverse the loss situation of the Group's core business for the whole year. However, the primary reason for the loss in FY2024 is still the operating losses caused by the substantial decrease in the fair value of the Group's investment properties and the exchange rate losses. During FY2024, several subsidiaries in the People's Republic of China were deregistered and the significant

depreciation in value of RMB to USD during FY2024 when compared to the exchange rate when the USD was injected to the said subsidiaries at incorporation has resulted in tens of millions of foreign exchange loss. Furthermore, the Group's significant profit in FY2023 was primarily attributable to the one-off gain from the land resumption of a piece of land owned by the Group by the local government of Qingpu District, Shanghai Municipality, the People's Republic of China. Due to the absence of such non-recurring gain in FY2024, and considering the aforementioned factors, the Group expects the turnaround from profit to loss in FY2024.

Shareholders should note that the Company is still in the process of (i) finalising the change in fair value of the Group's financial assets and investment properties; and (ii) performing impairment assessment on certain current and non-current assets of the Group. The aforementioned loss attributable to owners of the Company is subject to adjustment after the finalisation of the fair value valuation and impairment assessment.

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 FY2024 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 FY2024 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
Chairman

27 February 2025

As at the date of this announcement, the executive directors of the Company are Mr. Wong Cho Tung, Ms. Yeung Man Ying, Mr. Zhu Wenhui and Mr. Zhu Qi, the non-executive director of the Company is Mr. Wong Hei, Simon, and the independent non-executive directors of the Company are Ms. Lai Ka Fung May, Mr. Li Minbo and Mr. Yang Wentao.

** For identification purposes only*