SIM TECHNOLOGY GROUP LIMITED
晨訊科技集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 2000)

DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND USE RIGHT TO LAND

The Board is pleased to announce that on 31 January 2013, the Group, through Shanghai Speedcomm, a wholly-owned subsidiary of the Company, succeeded in its bid in the Tender to purchase the land use right of the Land at an aggregate price of RMB109 million (equivalent to approximately HK$135.16 million).

Following the successful bidding for the land use right of the Land, on 5 February 2013, the Group received the Confirmation Letter dated 31 January 2013 signed by Shanghai Speedcomm with Taizhou Land Bureau to confirm the successful bid for the Land and the Consideration.

Pursuant to the Confirmation Letter, Shanghai Speedcomm shall enter into a land use right transfer contract in respect of the land use right of the Land with Taizhou Land Bureau within 10 working days after the successful bidding, i.e., by 19 February 2013.

Implications under the Listing Rules

As the relevant applicable percentage ratios set out in the Listing Rules in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 31 January 2013, the Group, through Shanghai Speedcomm, a wholly-owned subsidiary of the Company, succeeded in its bid in the Tender to purchase the land use right of the Land at an aggregate price of RMB109 million (equivalent to approximately HK$135.16 million).

Following the successful bidding for the land use right of the Land, on 5 February, 2013, the Group received the Confirmation Letter dated 31 January 2013 signed by Shanghai Speedcomm with Taizhou Land Bureau to confirm the successful bid for the Land and the Consideration.

A summary of the details of the Confirmation Letter are set out below.

THE CONFIRMATION LETTER

Date: 31 January 2013

Parties:

(i) Taizhou Land Bureau as tenderer. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Taizhou Land Bureau and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules); and

(ii) Shanghai Speedcomm, a wholly-foreign-owned-enterprise established in the PRC and a wholly-owned subsidiary of the Company, as the successful bidder of the Land.

Subject matter: The land use right of the Land, partly for commercial and finance use and partly for residential purposes.

Aggregate Consideration: RMB109 million (equivalent to approximately HK$135.16 million) being the Consideration payable for the land use right of the Land under the Confirmation Letter. The Consideration was the price of the bid made by Shanghai Speedcomm at the tender held by Taizhou Land Bureau on 31 January 2013.

The Directors consider that the Consideration is fair and reasonable having taken into account the location and potential development prospects of the Land.

Pursuant to the Tender, the full amount of the Consideration shall be paid by the Group by 28 February 2013.

The payment of the Consideration will be funded by the Group's IOT operations funds (being part of the Group's internal resources).

LAND USE RIGHT TRANSFER CONTRACT

Pursuant to the Confirmation Letter, Shanghai Speedcomm shall enter into a land use right transfer contract in respect of the land use right of the Land with Taizhou Land Bureau within 10 working days after successful bidding, i.e. by 19 February 2013.

PARTICULARS OF THE LAND AND LAND USE RIGHT

Location:	a parcel of land located at the south side of and nearby the Jichuan East Road and at the west side of and nearby the Qili River of Hailing District in Taizhou City, Jiangsu Province, the PRC
Total gross area:	Approximately 60,789 square meters
Permitted land use:	Partly commercial and finance and partly residential
Term of land use right:	40 years (for commercial and finance use) and 70 years (for residential use)

REASONS FOR AND BENEFITS OF ACQUIRING THE LAND USE RIGHT TO THE LAND

IOT is one of the major business operations of the Group which is one of the global leading providers of wireless communication modules. By the Acquisition, the Group could carry out its plan to cooperate with a local Taizhou company specializing in photovoltaic systems to develop the Land into an intelligent residential district with such project named as "IOT and New Generation Energy Model Residential Area". Through the cooperation and joint investment with the local partner, it is intended that the Group could leverage its expertise in research and development of application solutions for IOT to be responsible for IOT development in the district and the local partner would be responsible for the construction of new generation energy power stations in the district. The Directors believe that the project of "IOT and New Generation Energy Model Residential Area" would serve as another income stream to the Group.

The Directors consider that the terms of the Confirmation Letter and the Land Use Right Transfer Contract are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP

The principal activities of the Group are manufacturing, design and development and sale of display modules, handsets and solutions, and wireless communication modules and property development in the PRC.

INFORMATION OF TAIZHOU LAND BUREAU

Taizhou Land Bureau is a local government body of the PRC and is in charge of, among other things, conducting tenders for land use rights and administering the transfer of land use rights over the land in Taizhou.

IMPLICATION UNDER THE LISTING RULES

As the relevant applicable percentage ratios set out in the Listing Rules in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"Acquisition"	the acquisition of the land use right of the Land in the Tender and as contemplated under the Confirmation Letter and the land use right transfer contract to be entered into by Shanghai Speedcomm with Taizhou Land Bureau
"Board"	the board of Directors
"Company"	SIM Technology Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Confirmation Letter"	the confirmation letter dated 31 January 2013 entered into between Taizhou Land Bureau and Shanghai Speedcomm confirming, among other things, Shanghai Speedcomm's successful bid for the land use right of the Land and the Consideration
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the aggregate amount of RMB109 million (equivalent to approximately HK$135.16 million), being the final bid price of the transfer of the land use right of the Land payable by the Group
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"IOT"	the Internet of Things
"Land"	海陵區濟川東路南側、七里河西側地塊 (a parcel of land located at the south side of and nearby the Jichuan East Road and at the west side of and nearby the Qili River of Hailing District in Taizhou City, Jiangsu Province, the PRC), with a total gross area of approximately 60,789 square meters
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Shanghai Speedcomm"	上海思必得通訊技術有限公司(Shanghai Speedcomm Technology Limited), a wholly-foreign-owned-enterprise established in the PRC and a wholly-owned subsidiary of the Company
"Taizhou Land Bureau"	泰州市國土資源局(Taizhou City State-owned Land and Resources Bureau)
"Tender"	The open tender of the land use right of, among other land parcels, the Land held by Taizhou Land Bureau
"PRC"	the People's Republic of China
"RMB"	Renminbi Yuan, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK$ at the rate of RMB1.00 to HK$1.24. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 6 February 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 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*