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SIM Technology

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 AND CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

Financial Adviser to the Company

CIMB

Reference is made to the respective announcements (the "**Announcements**") of SIM Technology Group Limited (the "**Company**") dated 22 September 2017 in relation to the major and connected transaction and continuing connected transactions (the "**Proposed Transactions**") and dated 24 November 2017 in relation to the delay in despatch of circular in relation to the Proposed Transactions. Terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

THE TERMINATION AGREEMENT

The Board would like to announce that, on 7 December 2017, the Company, Simcom International, Queclink Wireless, Richjoy, the Target Companies, Shenyang SIM and Shanghai SIM Technology entered into the termination agreement for the Sale and Purchase Agreement, the Supply Contract and the Tenancy Agreement (the "**Termination Agreement**") under which the parties mutually agreed to terminate the Sale and Purchase Agreement, the Supply Contract and the Tenancy Agreement because as at the date of the Termination Agreement, the condition precedent of the Sale and Purchase Agreement that the execution of the employment contracts by certain key employees will not be fulfilled. Each relevant party irrevocably and unconditionally releases and discharges all the other relevant parties from all claims, liabilities and obligations in relation to the respective Sale and Purchase Agreement, the Supply Contract and the Tenancy Agreement.

The Board is of the view that the termination of the Sale and Purchase Agreement, the Supply Contract and the Tenancy Agreement will not have any material adverse impact on the business, operation or financial position of the Group.

As a result of the entering into of the Termination Agreement, no Circular will be issued and despatched by the Company to the Shareholders and no SGM will be convened and held for considering and approving the Sale and Purchase Agreement and the transactions contemplated under it (including the IP Transfer, the Supply Contract and the Annual Cap Amounts for the Supply Contract).

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

7 December 2017

As of the date of this announcement, the executive Directors 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*