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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)

ANNOUNCEMENT – PROGRESS UPDATE

Reference is made to the announcement of SIM Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 7 June 2017 in which the board (the “**Board**”) of directors (the “**Directors**”) of the Company has clarified that the Company and its connected persons do not have any relationship (neither equity nor business relationship) with a company called “安徽晨訊智能科技有限公司 (Anhui Chenxun Intelligent Technology Co., Ltd.*)” (“**Anhui Chenxun**”). After investigation, it was found that the connected person of the Company has not signed any incorporation documents of Anhui Chenxun.

Reference is also made to the announcement of the Company dated 9 October 2018 in which the Company informed the shareholders that the relevant connected person of the Company (the “**Plaintiff**”) has filed a 行政起訴狀 (an administrative complaint) (the “**Administrative Complaint**”) with the Intermediate People's Court of Anqing City (the “**Court**”) against 安慶市工商行政和品質技術監督管理局 (AnQing Shi Gongshang Xingzheng He Zhiliang Jishu Jiandu Guanli Ju*) (the “**Defendant**”), with Anhui Chenxun and 吳義兵 (Wu Yibing) (“**Mr. Wu**”), the de facto shareholder of Anhui Chenxun, named as third parties, to rectify the wrongful registration of him as a shareholder of Anhui Chenxun.

The Board would like to update the shareholders of the recent development relating to the Administrative Complaint. With a view to resolving the incident out of court, the Plaintiff and Mr. Wu have agreed to rectify the wrongful registration of the Plaintiff as a shareholder of Anhui Chenxun by transferring all shareholding that wrongfully registered in the Plaintiff's

name to Mr. Wu or such other third party as nominated by him. As a pre-requisite of the abovementioned transfer the Plaintiff has submitted application to the Court to withdraw the Administrative Complaint and on 7 December 2018, the Court has approved the withdrawal.

Further announcement will be made by the Company to keep shareholders informed if there is any material development of the incident.

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

13 December 2018

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 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*