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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)**

### **DISCLOSEABLE TRANSACTION: ASSET MANAGEMENT AGREEMENT**

The Board wishes to announce that on 23 April 2013, Shanghai Sunrise Simcom, a wholly-owned subsidiary of the Company, entered into the Asset Management Agreement as the Assets Trustor, with Orient Securities Asset Management as the Assets Manager and the Bank as the Assets Trustee in relation to the investment and management of the Entrusted Assets. Shanghai Sunrise Simcom entrusted a total amount of RMB20 million (equivalent to HK\$24.9 million) on 23 April 2013 in accordance with the Asset Management Agreement.

The transaction contemplated under the Asset Management Agreement is aggregated with the transaction of similar nature made between the Assets Trustor, Assets Manager and Assets Trustee on 18 April 2013 pursuant to Rule 14.22 of the Listing Rules, and is treated as one transaction under Chapter 14 of the Listing Rules. As the relevant percentage ratios in respect of the transaction contemplated under the Asset Management Agreement, although calculated alone are less than 5%, but in aggregate with the transaction dated 18 April 2013 exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction for the Company under the Listing Rules.

### **THE ASSET MANAGEMENT AGREEMENT**

The Board wishes to announce that on 23 April 2013, Shanghai Sunrise Simcom, a wholly-owned subsidiary of the Company, entered into the Asset Management Agreement as the Assets Trustor, with Orient Securities Asset Management as the Assets Manager and the Bank as the Assets Trustee in relation to the investment and management of the Entrusted Assets. A summary of the terms and conditions of the Asset Management Agreement is set out below:

*Date:*

23 April 2013

*Parties:*

- (1) Shanghai Sunrise Simcom as the Assets Trustor;
- (2) Orient Securities Asset Management as the Assets Manager; and
- (3) the Bank as the Assets Trustee.

Orient Securities Asset Management is a company incorporated in the PRC with limited liability and an asset management company approved by the China Security Regulatory Commission. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Orient Securities Asset Management and its ultimate beneficial owners are Independent Third Parties. The principal business of Orient Securities Asset Management includes personal asset management and collection asset management.

The Bank is a bank licensed and incorporated under the laws of the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owners are Independent Third Parties. The principal business of the Bank is to provide corporate and personal, treasury operations, investment banking, asset management, trust and financial leasing and other financial services.

*Investment scope:*

The Assets Manager shall manage and invest the Entrusted Assets in accordance with the instructions of the Assets Trustor. The investment scope of the Entrusted Assets shall be limited to the investment products under 長安信託·奔誠實業委託貸款單一資金信託合同 (Chang An Trust · Hui Cheng Shi Ye Entrusted Loan Single Fund Trust Agreement (numbered 信單奔誠 (Xin Dan Hui Cheng) 13020056).

*Entrusted management period:*

23 April 2013 to 22 April 2015 subject to early termination in accordance with the relevant laws of the PRC, in accordance with the terms of the Asset Management Agreement, by request of the relevant regulatory bodies or by mutual agreement.

*Management fee:*

The management fee to be charged by the Assets Manager shall be calculated as below:

Management fee = (total Entrusted Assets) x (management fee rate) x (total number of days of investment and management of the Entrusted Assets)/360. The management fee rate is 0.2%.

*Trustee fee:*

The trustee fee to be charged by the Assets Trustee shall be calculated as below:

Trustee fee = (total paid Entrusted Assets) x (trustee fee rate) x (total number of days of entrustment of the Entrusted Assets)/360. The trustee fee rate is 0.06%.

*Performance return:*

There is no performance return to be charged by the Assets Manager.

*Withdrawal of Entrusted Assets:*

During the entrusted management period, the Assets Trustor may withdraw part of the amount of the Entrusted Assets provided that the remaining balance of the Entrusted Assets in the account shall not be less than RMB1 million. However, the Assets Trustor, the Assets Manager and the Assets Trustee may agree to terminate the Asset Management Agreement when the amount of the Entrusted Assets in the account is less than RMB1 million.

**Entrusted Assets**

Shanghai Sunrise Simcom entrusted a total amount of RMB20 million (equivalent to HK\$24.9 million), which was satisfied by the Group's internal resources, on 23 April 2013 in accordance with the Asset Management Agreement. It is anticipated by the management of Shanghai Sunrise Simcom that the expected average return rate for such amount of Entrusted Assets will be about 7% and the investment period is two years.

**REASONS FOR AND BENEFITS OF THE TRANSACTION**

By entering into the Asset Management Agreement and entrusting funds in accordance therewith, the Group intends to raise the utilisation rate of its capital which can improve both the investment return and the profits of the Group. The Directors (including independent non-executive Directors) are therefore of the view that the terms of the Asset Management Agreement (and entrusting funds in accordance therewith) are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Shanghai Sunrise Simcom intends to continue to entrust more assets in similar terms as those contained under the Asset Management Agreement in the future. The Company will comply with the applicable requirements under Chapter 14 of the Listing Rules in connection with such further transactions, if materialised.

## INFORMATION RELATED TO 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.

## IMPLICATION UNDER THE LISTING RULES

On 18 April 2013, Shanghai Sunrise Simcom as the Assets Trustor has entrusted a total amount of RMB20 million (equivalent to HK\$24.9 million) pursuant to an asset management agreement between Shanghai Sunrise Simcom as the Assets Trustor, Orient Securities Asset Management as the Assets Manager and the Bank as the Assets Trustee on the terms similar to those of the Asset Management Agreement.

The transaction contemplated under the Asset Management Agreement is aggregated with the transaction of similar nature made between the Assets Trustor, Assets Manager and Assets Trustee on 18 April 2013 pursuant to Rule 14.22 of the Listing Rules, and is treated as one transaction under Chapter 14 of the Listing Rules. As the relevant percentage ratios in respect of the transaction contemplated under the Asset Management Agreement, although calculated alone are less than 5%, but in aggregate with the transaction dated 18 April 2013 exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction for the Company under the Listing Rules.

## DEFINITIONS

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

|                              |   |
|------------------------------|---|
| “Asset Management Agreement” | the asset management agreement dated 23 April 2013 entered into between Shanghai Sunrise Simcom, Orient Securities Asset Management and the Bank in relation to the investment and management of the Entrusted Assets |
| “Bank” or “Assets Trustee”   | China Minsheng Banking Corp., Ltd, Qingdao branch, a bank licensed and incorporated under the laws of the PRC   |
| “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  |
| “Director(s)”                | the director(s) of the Company  |
| “Entrusted Assets”           | the entrusted assets under the Asset Management Agreement   |
| “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  |
| “Independent Third Parties”                              | third parties independent of the Company and its connected persons  |
| “Listing Rules”  | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Orient Securities Asset Management” or “Assets Manager” | Orient Securities Asset Management Company Limited, a company incorporated in the PRC with limited liability and an asset management company approved by the China Security Regulatory Commission |
| “PRC”  | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan  |
| “RMB”  | Renminbi, the lawful currency of the PRC  |
| “Shanghai Sunrise Simcom” or “Assets Trustor”            | Shanghai Sunrise Simcom Limited, a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company  |
| “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\$1.245. 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, 23 April 2013

*As at the date of this announcement, the executive Directors are Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Zhang Jianping, Ms Tang Rongrong, Mr Chan Tat Wing, Richard and Mr Liu Hong, and the independent non-executive Directors are Mr Liu Hing Hung, Mr Xie Linzhen and Mr Dong Yunting.*

\* *For identification purposes only*