



**SIM Technology**

**SIM Technology Group Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code : 2000)



**2025**  
**INTERIM REPORT**



# CHAIRMAN'S STATEMENT

On behalf of the board ("Board") of the directors ("Directors") of SIM Technology Group Limited ("Company"), I am presenting the interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2025 ("1H-2025").

## BUSINESS REVIEW

In 1H-2025, the Group achieved significant results in strengthening internal management and cost controls. At the same time, the negative impact of issues left over from the past, including clearance of aged inventory and the handling of personnel-related matters, on the performance during the current period was substantially reduced, thus enabling the Group to essentially turn around its operating results from losses to profits during the reporting period.

The turnover of the Group for 1H-2025 reached HK\$208.2 million, representing an increase of 13.4% as compared to the same period last year. Gross profit amounted to HK\$45.3 million, representing an increase of 18.3% as compared to the same period last year. The handsets and IOT terminals business recorded a modest profit of approximately HK\$0.6 million, driven by further cost and expense control. Shanghai Zhenkang Electronics Limited, a non-wholly owned subsidiary of the Group, engaged in the automotive intelligent products business, incurred a loss of HK\$14.8 million due to the cancellation of expected customer orders, resulting in the loss of a significant portion of anticipated revenue. The rental income from investment properties remained largely stable during the reporting period. However, based on the judgment of the future rental market and the actual leases of the Group, the valuer made an impairment of HK\$14.7 million, resulting in a loss of HK\$2.0 million for the leasing business. During the reporting period, the Group's interest income and foreign exchange gains contributed positively to the Group's profit and loss for the current period. After accounting for all factors, the Group recorded a profit attributable to the owners of the Company of HK\$8.8 million for 1H-2025.



# CHAIRMAN'S STATEMENT

## Handsets and IOT terminals business

This segment generated a turnover of HK\$174.3 million in 1H-2025, representing an increase of 11.5% as compared to the same period last year. Gross profit also rose to HK\$24.7 million, marking a growth as compared to the same period last year. The strategy of "Balancing income and expenditures, and managing costs" implemented in 2024 continued to deliver results. Through the optimization of team structure, tight control on costs and expenses, and the effective utilisation of external resources, operating costs were brought under control. The segment turned around from loss to profit for the first time in years. The management, however, remains cognizant of the fact that despite achieving a moderate profit during the reporting period, the overall situation remains precarious. Sales from businesses have remained subdued in recent years with a significant shortage of quality clients and projects, as well as difficulty in expanding overseas market. With the industry competition growing increasingly fierce, slim margins may eventually fail to cover operating costs and expenses if this trend continues. The top-priority task is to explore new business tracks and identify fresh growth drivers for this business.

The era of AI has arrived. Integrating AI technology with traditional hardware terminals to upgrade and remodel products and address pain points of and demands from consumers has become a crucial direction of development. In 1H-2025, the Group has invested significant resources in AI-powered glasses, companion smart robots, and high-computing-power control modules for humanoid robots. These efforts have already accumulated certain technological assets. The Group is committed to scaling up its investment in these emerging areas, grabbing market shares, accelerating its scale of operation and unlocking new growth drivers for its core business.



# CHAIRMAN'S STATEMENT

## Automotive intelligent product business

In 1H-2025, this segment recorded turnover of HK\$12.9 million and a gross profit of approximately HK\$2.1 million. Following a significant loss recorded in 2024, the business still reported a loss of HK\$14.8 million in 1H-2025.

The Group operates in the field of in-vehicle infotainment for new energy vehicles (NEVs), comprising multi-display panels and domain controllers. As one of the most critical components of NEVs, this segment features extremely high entry barriers. After years of development and with tens of millions of dollars in investment, the in-vehicle infotainment developed for a Japanese joint-venture branded customer successfully passed their rigorous certification and entered into mass production for delivery. The customer had previously projected 600 million dollars' worth orders for the three-year period from 2024 to 2026. However, amid the heavy impact from intense and irrational competition across the automotive industry, manufacturers cut the prices and sell at a loss and compete to sell off their inventory. Against this backdrop, the customers of the Company were forced to revise its sales plan and ultimately the demand for this in-vehicle infotainment was reduced to nil in 2025. In response to this development, the management promptly activated an emergency cost-control plan. While ensuring stable delivery and after-sales support for existing orders, non-essential expenditures were reduced to the bare minimum. Although the turnover for the second half of 2025 is expected to be minimal, the substantial reduction in the manpower as well as costs and expenses is anticipated to keep losses within a manageable range.

## Property management

In 1H-2025, the revenue of property management was mainly derived from the leasing of SIM Technology Building Block A and Block B in Shanghai, factory units in Shenyang, and commercial properties in Shenyang. A total area of approximately 78,000 square meters was leased out. To utilize our resources more effectively and develop the property management business, the Group will continue to lease the spare space at its factories and other buildings.

The revenue of properties management for 1H-2025 amounted to HK\$21.0 million (1H-2024: HK\$22.2 million) with a gross profit margin of 88.1% (1H-2024: 90.3%).



# CHAIRMAN'S STATEMENT

## Prospects

In the second half of 2025, the global economic and trade environment is expected to remain complex and uncertain, with intensifying competition in both domestic and international markets. The Group will adopt a more cautious stance in navigating market challenges, while proactively exploring new growth directions and accelerating its layout in emerging sectors with profitability as our baseline.

The Group will optimize its organizational structure by forming sales teams comprising product and technical experts to strengthen its marketing capabilities and competitiveness at the customer end. Meanwhile, adjustments to the structure of research and development (R&D) centers will be implemented to boost its R&D efficiency and reduce its product costs.

The Group has successfully entered the segments of AI glasses and companion smart robots, and has completed the R&D of integrated solutions. Market expansion efforts will follow in phases, and these "terminal + AI" products are expected to begin contributing to the Group's performance in the second half of the year. The prototypes of the Group's high-computing control module for humanoid robots have been delivered and jointly debugged with the customers, indicating its readiness for commercialization. Leveraging nearly 30 years of experiences and advantages in supply chain and module development, the Group aims to build up a supply chain platform for key components in the humanoid robotics industry, thereby offering integrated solutions to its customers. Through its exploration of new growth curve for the layout of core components business in the robotics sector, the Group seeks to establish a synergistic landscape with its "terminal + AI" business.

Guided by a pragmatic and innovative philosophy of business operation, the management team will seize its transformation opportunities amid challenges, deepen its technological capabilities, and steadily enhance its overall competitiveness to create sustainable value for shareholders.



## CHAIRMAN'S STATEMENT

### Appreciation

The Board would like to thank our shareholders, customers, suppliers, bankers and professional advisers for their support of the Group and to extend our appreciation to all our staff for their dedication and contributions throughout the reporting period.

**Wong Cho Tung**

*Chairman*

Hong Kong, 27 August 2025



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

For 1H-2025, the revenue of the Group was HK\$208.2 million (1H-2024: HK\$183.7 million), in which the revenue from handsets and IOT terminals business and automotive intelligent product business (together, "Core Business") increased by 16.0% to HK\$187.2 million (1H-2024: HK\$161.4 million) as compared with that of 1H-2024. In 1H-2025, the revenue from property management ("Non-core Business") decreased by 5.6% to HK\$21.0 million (1H-2024: HK\$22.2 million) as compared with that in 1H-2024.

The gross profit for 1H-2025 for the Core Business of the Group was HK\$26.8 million (1H-2024: HK\$18.2 million). The gross profit margin for the Core Business was 14.3% (1H-2024: 11.3%) and the gross profit margin for the Non-core Business decreased to 88.1% (1H-2024: 90.3%). The overall gross profit margin of the Group for 1H-2025 increased to 21.8% (1H-2024: 20.8%).

The Group recorded a profit attributable to owners of the Company of HK\$8.8 million (1H-2024: loss attributable to owners of the Company HK\$82.3 million). The basic earnings per share for 1H-2025 was HK0.4 cents (1H-2024: loss per share HK3.8 cents). Such huge reduction in loss was mainly attributable to the following factors:

Firstly, the Group continued to optimise its team structure, stringently control all fees and expenses, focus on those major products and key customers, produce good products and serve customers well to ensure its profitability. At the same time, the negative impact of issues left over from the past, including clearance of aged inventory and the handling of personnel-related matters, on the performance during the current period was substantially reduced, thus enabling the Group to essentially turn around its operating results from losses to profits during the reporting period.

Secondly, the Group deregistered several subsidiaries in the PRC during 1H-2024. The significant depreciation in value of RMB to USD during 1H-2024 when compared to the exchange rate when the USD was injected to the said subsidiaries at incorporation has resulted in one-off foreign exchange loss of approximately HK\$30.8M in 1H-2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Segment results of Core Business

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Revenue HK\$'M	Gross profit HK\$'M	Gross profit margin %	Revenue HK\$'M	Gross profit HK\$'M	Gross profit margin %
Handsets and IOT terminals business	174.3	24.7	14.2	156.3	16.8	10.8
Automotive intelligent product business	12.9	2.1	16.6	5.1	1.4	26.9
<b>Total</b>	<b>187.2</b>	<b>26.8</b>	<b>14.3</b>	<b>161.4</b>	<b>18.2</b>	<b>11.3</b>

### Handsets and IOT terminals business

The strategy of “balancing income and expenditures, and managing costs” introduced in 2024 continued to deliver results. Through the optimization of team structure, rigorous control on costs and expenses, and the effective utilisation of external resources, operating costs were brought under control, leading to an increase in segment gross profit. The revenue of this segment for 1H-2025 increased by 11.5% to HK\$174.3 million (1H-2024: HK\$156.3 million) as compared to that of 1H-2024. The gross profit margin of this segment was 14.2% in 1H-2025 (1H-2024: 10.8%). The revenue of ODM business accounted for approximately 93% of the revenue of this segment in 1H-2025 (1H-2024: 91%).

### Automotive intelligent product business

The revenue of this segment for 1H-2025 increased by 152.9% to HK\$12.9 million (1H-2024: HK\$5.1 million) as compared to that of 1H-2024. The gross profit margin of this segment was 16.6% in 1H-2025 (1H-2024: 26.9%). In 1H-2024, the revenue from this segment primarily came from non-recurring engineering fee and hardware revenue. The Group had not capitalized the related R&D expenses based on the principle of prudence, resulting in relatively high gross profit. In 1H-2025, the revenue of this segment only came from hardware revenue, and the gross profit has returned to normal level of hardware revenue.



# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### *Liquidity*

As at 30 June 2025, the Group had bank balances and cash of HK\$152.9 million (31 December 2024: HK\$360.3 million), of which 13.3% was held in US dollars, 15.4% was held in Japanese dollars, 70.2% was held in Renminbi and the remaining balance was held in Hong Kong dollars, and short-term bank deposits of HK\$744.0 million (31 December 2024: HK\$580.8 million) among which 60.0% was held in US dollars and 40.0% was held in Renminbi. The Group intends to finance its working capital and capital expenditure plans from such bank balances. The total bank borrowings of the Group amounted to HK\$7.7 million as at 30 June 2025 (31 December 2024: HK\$29.2 million). All of the borrowings were at floating interest rates and repayable within one year.

### *Operating efficiency*

The respective turnover period of inventory, trade and notes receivables, trade and notes payables of the Group for the handsets and IOT terminals business is presented below:

	30 June 2025 Days	31 December 2024 Days
Inventory turnover period	47	75
Trade and notes receivables turnover period	88	82
Trade and notes payables turnover period	109	105

In 1H-2025, the Group adopted the “just-in-time” supply mode, shifting to a demand-oriented “pull” production and distribution model, minimizing the inventory level as much as possible. At the same time, sales management was enhanced, with more accurate forecasting and response to customer demand, reducing the surplus or shortage caused by forecast deviations. As a result, the inventory turnover period in 1H-2025 significantly decreased as compared to that of year 2024.



## MANAGEMENT DISCUSSION AND ANALYSIS

In 1H-2025, due to intensified market competition, in order to maintain market share, the Group had to relax the credit policy for certain selected customers and appropriately extend the credit period. As a result, the trade and note receivables turnover period in 1H-2025 slightly increased as compared to that in 2024.

The trade and notes payables turnover period remained relatively stable in 1H-2025 and year 2024.

As at 30 June 2025, the current ratio, calculated as current assets over current liabilities, was 3.6 times (31 December 2024: 3.1 times).

The Group reckons that inventory turnover period, trade and notes receivables turnover period, and trade and notes payables turnover period help the Group understands its ability to convert inventory into cash and its sales cash conversion cycle. Through reviewing the turnover periods, the Group can improve its operational efficiency. The current ratio can help the Group understand its ability to pay short-term and long-term obligations.

### *Treasury policies*

The Group adopts a prudent approach in its treasury policy. The Group's surplus funds are mainly held under fixed and savings deposits in reputable banks to earn interest income.

Certain sales and purchases of inventories of the Group are denominated in US dollars. Furthermore, certain trade receivables, trade payables and bank balances are denominated in US dollars, thereby exposing the Group to the currency risk of US dollars. During 1H-2025, the Group did not use any financial instrument for hedging purpose but it will consider entering into non-deliverable foreign exchange forward contracts to offset the foreign exchange risks dominated in US dollars when necessary.

### *Capital structure*

As at 30 June 2025, the Company had 2,143,351,300 ordinary shares of HK\$0.10 each in issue and did not hold any treasury share.

No shares of the Company were issued during 1H-2025.



# MANAGEMENT DISCUSSION AND ANALYSIS

## GEARING RATIO

As at 30 June 2025, the total assets of the Group were HK\$1,883.8 million (31 December 2024: HK\$1,921.2 million) and the bank borrowings were HK\$7.7 million (31 December 2024: HK\$29.2 million). The gearing ratio of the Group, calculated as total bank borrowings over total assets, was 0.4% (31 December 2024: 1.5%).

Through reviewing its gearing ratio on a regular basis and based on its future capital planning needs, the Group strikes a balance between shareholder return and capital security. It also adjusts its capital structure in response to changes in the operational environment.

## EMPLOYEES

As at 30 June 2025, the Group had approximately 510 (31 December 2024: 573) employees. The Group operates a Mandatory Provident Fund retirement benefits scheme for all its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC. The Group has a comprehensive training system in place that establishes a network-based career path for employees, including position and ability management, skills enhancement programme, various training opportunities, online learning programme for staff, internal promotion system, key employees development programme, succession plans for key positions and leadership development programme. The Group also offers discretionary bonuses and may grant share options under the share option scheme and share awards under the share award scheme adopted or to be adopted by the Company from time to time to its employees by reference to individual performance and the performance of the Group.

## EMOLUMENT POLICY

The emolument policy of the employees of the Group is set by the human resources department. The Group seeks to provide remuneration packages on the basis of the merit, qualifications and competence of the employees.

The emoluments of the Directors and senior management of the Company are reviewed by the remuneration committee of the Board, having regard to factors including the Group's operating results, responsibilities of the Directors and senior management and comparable market statistics.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Company has adopted a share option scheme ("Share Option Scheme") to motivate the eligible persons referred therein, which include executive Directors and employees of the Group, to optimise their future contributions to the Group and to reward them for their efforts.

### FUTURE PLANS FOR MATERIAL INVESTMENT

During 1H-2025, the Group did not have any future plans for material investment or capital assets.

### MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATED COMPANIES OR JOINT VENTURES

During 1H-2025, the Group did not have any material acquisition or disposal of subsidiaries, associated companies or joint ventures.

### SIGNIFICANT INVESTMENT

As at 30 June 2025, the Group did not have any significant investment.

### CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

### EVENT AFTER THE REPORTING PERIOD

There have been no significant events of the Group occurred since the end of 1H-2025.

# INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTES	Six months ended 30 June	
		2025	2024
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	208,208	183,678
Cost of sales and services		(162,925)	(145,398)
Gross profit		45,283	38,280
Other income	5	17,663	27,390
Other gains and losses	5	(9,469)	(53,670)
Reversal of impairment losses under expected credit loss model, net	12	2,604	1,300
Research and development expenses		(27,850)	(59,942)
Selling and distribution costs		(7,456)	(9,372)
Administrative expenses		(19,843)	(33,797)
Share of results of associates		3,115	56
Finance costs		(271)	(1,053)
Profit (loss) before taxation		3,776	(90,808)
Taxation	6	1,933	770
Profit (loss) for the period	7	5,709	(90,038)

## INTERIM FINANCIAL STATEMENTS

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	NOTE	(Unaudited)	(Unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		8,807	(82,257)
Non-controlling interests		(3,098)	(7,781)
		5,709	(90,038)
Earnings (loss) per share (HK cents)	9		
Basic		0.4	(3.8)

# INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	NOTE	(Unaudited)	(Unaudited)
Profit (loss) for the period	7	5,709	(90,038)
Other comprehensive income (expense) for the period:			
<i>Item that may be subsequently reclassified to profit or loss for the period:</i>			
Reclassification of cumulative translation reserve upon deregistration of foreign operations		–	30,764
<i>Items that will not be subsequently reclassified to profit or loss during the period:</i>			
Surplus on transfer of right-of-use assets and property, plant and equipment to investment properties at fair value		20,206	476
Fair value loss on investment in equity instrument at fair value through other comprehensive income, net of deferred tax		(2,722)	(7,705)
Deferred tax relating to items that will not be reclassified to profit or loss		(4,104)	1,807
Exchange difference arising on translation to presentation currency		15,802	(4,561)
Other comprehensive income for the period		29,182	20,781
Total comprehensive income (expense) for the period		34,891	(69,257)
Total comprehensive income (expense) attributable to:			
Owners of the Company		37,989	(61,476)
Non-controlling interests		(3,098)	(7,781)
		34,891	(69,257)

# INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	NOTES		
<b>Non-current assets</b>			
Investment properties	10	591,019	574,540
Property, plant and equipment	10	27,804	31,428
Right-of-use assets	10	15,395	15,658
Intangible assets	10	457	294
Interests in associates		75,832	49,798
Equity instruments at fair value through other comprehensive income ("FVTOCI")	18	70,226	71,726
		<b>780,733</b>	<b>743,444</b>
<b>Current assets</b>			
Inventories	13	31,105	52,720
Trade and notes receivables	11	89,314	110,823
Other receivables, deposits and prepayments		85,470	72,768
Financial assets at fair value through profit or loss ("FVTPL")	18	228	291
Short-term bank deposits		744,033	580,821
Bank balances and cash		152,879	360,313
		<b>1,103,029</b>	<b>1,177,736</b>



# INTERIM FINANCIAL STATEMENTS

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	NOTES		
Current liabilities			
Trade payables	14	58,477	86,792
Contract liabilities		79,529	97,731
Deposits from tenants		2,608	2,699
Deferred income		1,116	1,097
Other payables and accruals		65,797	64,931
Bank borrowings	15	7,674	29,162
Lease liabilities		1,149	2,344
Tax payables		91,162	97,478
		<b>307,512</b>	<b>382,234</b>
Net current assets		<b>795,517</b>	<b>795,502</b>
Total assets less current liabilities		<b>1,576,250</b>	<b>1,538,946</b>
Capital and reserves			
Share capital	16	214,335	214,335
Reserves		1,263,640	1,225,651
Equity attributable to owners of the Company		<b>1,477,975</b>	<b>1,439,986</b>
Non-controlling interests		<b>(13,168)</b>	<b>(10,070)</b>
Total equity		<b>1,464,807</b>	<b>1,429,916</b>
Non-current liabilities			
Deposits from tenants		6,239	6,278
Lease liabilities		634	80
Deferred tax liabilities		77,731	75,748
Deferred income		26,839	26,924
		<b>111,443</b>	<b>109,030</b>
		<b>1,576,250</b>	<b>1,538,946</b>

# INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company										Non-		
	Share capital	Share premium	Statutory surplus reserve	Other reserve	Share option reserve	Properties revaluation reserve	Asset revaluation reserve	Capital redemption reserve	Translation reserve	Accumulated (loss) profits	Total	controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(Note a)	(Note b)									
At 1 January 2024 (audited)	214,335	733,716	119,217	95,271	8,602	274,905	11,830	44,222	61,722	56,106	1,619,926	(733)	1,619,193
Loss for the period	-	-	-	-	-	-	-	-	-	(82,257)	(82,257)	(7,781)	(90,038)
Other comprehensive income (expense) for the period	-	-	-	-	-	357	(5,779)	-	26,203	-	20,781	-	20,781
Total comprehensive income (expense) for the period	-	-	-	-	-	357	(5,779)	-	26,203	(82,257)	(61,476)	(7,781)	(69,257)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(315)	9,153	8,838	(8,838)	-
Dividend paid (Note 8)	-	-	-	-	-	-	-	-	-	(85,734)	(85,734)	-	(85,734)
Withdrawn upon deregistration of subsidiaries	-	-	(1,817)	-	-	-	-	-	-	1,817	-	-	-
Transfer to statutory surplus reserve	-	-	745	-	-	-	-	-	-	(745)	-	-	-
At 30 June 2024 (unaudited)	214,335	733,716	118,145	95,271	8,602	275,262	6,051	44,222	87,610	(101,660)	1,481,554	(17,352)	1,464,202
At 1 January 2025 (audited)	214,335	733,716	118,498	95,271	-	275,262	15,455	44,222	57,763	(114,536)	1,439,986	(10,070)	1,429,916
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	8,807	8,807	(3,098)	5,709
Other comprehensive income (expense) for the period	-	-	-	-	-	15,421	(2,041)	-	15,802	-	29,182	-	29,182
Total comprehensive income (expense) for the period	-	-	-	-	-	15,421	(2,041)	-	15,802	8,807	37,989	(3,098)	34,891
Withdrawn upon deregistration of a subsidiary	-	-	(546)	-	-	-	-	-	-	546	-	-	-
Withdrawn upon capital reduction of a subsidiary	-	-	(3,618)	-	-	-	-	-	-	3,618	-	-	-
Transfer to statutory surplus reserve	-	-	2,324	-	-	-	-	-	-	(2,324)	-	-	-
At 30 June 2025 (unaudited)	214,335	733,716	116,658	95,271	-	290,683	13,414	44,222	73,565	(103,889)	1,477,975	(13,168)	1,464,807



## INTERIM FINANCIAL STATEMENTS

Notes:

- (a) As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC"), before distribution of the net profit each year, the subsidiaries established in the PRC shall set aside 10% of their net profit after taxation for the statutory surplus reserve fund (except where the reserve has reached 50% of the subsidiaries' registered capital). The reserve fund can only be used, upon approval by the board of directors of the relevant subsidiaries and by the relevant authority, to offset accumulated losses or increase capital.
- (b) Other reserve was arisen from the reorganisation in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the difference between the considerations paid and the relevant non-controlling interests upon the acquisition of additional interests in subsidiaries.

# INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Operating cash flows before movements in working capital	(582)	(37,690)
(Decrease) increase in contract liabilities	(19,648)	14,327
Other movements in working capitals	26,939	(21,948)
Cash from (used in) operations	6,709	(45,311)
Interest received	955	15,389
Tax paid	(6,464)	(19,249)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>1,200</b>	<b>(49,171)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of property, plant and equipment	3	1,159
Net proceeds on disposal of assets held for disposal	–	287,281
Purchase of property, plant and equipment	(2,876)	(3,773)
Purchase of intangible assets	(875)	(630)
Investment in an associate	(22,000)	–
Receipt of consideration receivables	564	644
Advance to an associate	–	(251)
Placement of short-term bank deposits	(698,880)	(350,428)
Withdrawal of short-term bank deposits	537,395	411,804
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>	<b>(186,669)</b>	<b>345,806</b>

# INTERIM FINANCIAL STATEMENTS

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
<b>FINANCING ACTIVITIES</b>		
Repayments of bank borrowings	(21,700)	(33,000)
Interest paid	(271)	(1,053)
Repayment of lease liabilities	(1,853)	(1,756)
Dividend paid	–	(85,734)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(23,824)</b>	<b>(121,543)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(209,293)</b>	<b>175,092</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>360,313</b>	<b>74,219</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>1,859</b>	<b>(4,358)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>152,879</b>	<b>244,953</b>



# INTERIM FINANCIAL STATEMENTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

SIM Technology Group Limited ("The Company") was incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda (as amended) with limited liability.

The Company is an investment holding company. The principal activities of its subsidiaries are carrying out handsets and Internet of things terminals business ("handsets and IOT terminals business"), automotive intelligent products business and property management in the PRC.

The functional currency of the Company is Renminbi ("RMB"). The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), as the Directors of the Company consider that it is a more appropriate presentation for a company listed on the Stock Exchange and for the convenience of the shareholders.

The condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.



# INTERIM FINANCIAL STATEMENTS

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values.

Other than change in accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

### Application of amendments to IFRS Standards

In the current interim period, the Group has applied the following amendments to a IFRS Accounting Standard issued by the International Accounting Standards Board ("IASB"), for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to a IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

# INTERIM FINANCIAL STATEMENTS

## 3. REVENUE

Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2025 (unaudited)

	Handsets and IOT terminals business HK\$'000	Automotive intelligent products business HK\$'000	Property management HK\$'000	Total HK\$'000
<b>Types of goods or services</b>				
Sale of handsets and IOT terminals	174,308	–	–	174,308
Sale of automotive intelligent products	–	12,907	–	12,907
	174,308	12,907	–	187,215
Property rental	–	–	20,993	20,993
Total	174,308	12,907	20,993	208,208
<b>Revenue from contracts with customers and timing of revenue recognition</b>				
A point in time	174,308	12,907	N/A	
Over time	–	–	N/A	
Total	174,308	12,907	N/A	



# INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)

	Handsets and IOT terminals business HK\$'000	Automotive intelligent products business HK\$'000	Property management HK\$'000	Total HK\$'000
<b>Types of goods or services</b>				
Sale of handsets and IOT terminals	156,346	–	–	156,346
Sale of automotive intelligent products	–	5,103	–	5,103
	156,346	5,103	–	161,449
Property rental	–	–	22,229	22,229
Total	156,346	5,103	22,229	183,678
<b>Revenue from contracts with customers and timing of revenue recognition</b>				
A point in time	155,714	5,103	N/A	
Over time	632	–	N/A	
Total	156,346	5,103	N/A	

## Geographical markets

The Group's revenue are substantially generated from the PRC, the country of domicile from which the group entities derive revenue. No further analysis is presented.

# INTERIM FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION

Segment information is presented based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended 30 June 2025 (unaudited)

	Handsets and IOT terminals business HK\$'000	Automotive intelligent products business HK\$'000	Property management HK\$'000	Consolidated HK\$'000
Revenue				
External sales	174,308	12,907	20,993	208,208
Segment profit (loss)	583	(14,821)	(2,031)	(16,269)
Other income and other gains and losses – unallocated				20,044
Share of results of associates				3,115
Corporate expenses				(2,843)
Finance costs				(271)
Profit before taxation				3,776

# INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)

	Handsets and IOT terminals business HK\$'000	Automotive intelligent products business HK\$'000	Property management HK\$'000	Consolidated HK\$'000
Revenue				
External sales	156,346	5,103	22,229	183,678
Segment loss	(37,436)	(25,254)	(6,824)	(69,514)
Other income and other gains and losses – unallocated				(15,599)
Share of results of associates				56
Corporate expenses				(4,698)
Finance costs				(1,053)
Loss before taxation				(90,808)

Segment result represents the financial result by each segment without allocation of interest income, dividend income, unallocated foreign exchange gain (loss), net gain or loss on financial assets at FVTPL, share of results of associates, certain other income, corporate expenses, finance costs and taxation.

# INTERIM FINANCIAL STATEMENTS

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>Segment assets</b>		
Handsets and IOT terminals business	212,158	219,210
Automotive intelligent products business	2,832	33,878
Property management	591,019	574,540
Total reportable segment assets	806,009	827,628
Unallocated assets	1,077,753	1,093,552
Total assets	1,883,762	1,921,180
<b>Segment liabilities</b>		
Handsets and IOT terminals business	180,614	201,686
Automotive intelligent products business	4,765	30,274
Property management	9,685	10,133
Total reportable segment liabilities	195,064	242,093
Unallocated liabilities	223,891	249,171
Total liabilities	418,955	491,264

# INTERIM FINANCIAL STATEMENTS

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable and operating segments other than certain property, plant and equipment, certain right-of-use assets, interests in associates, short-term bank deposits, bank balances and cash, financial assets at FVTPL, equity instruments at FVTOCI and certain other receivables, deposits and prepayments. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual operating segments.

For the purposes of monitoring segment performances and allocating resources between segments, all liabilities are allocated to reportable and operating segments other than certain lease liabilities, certain other payables, accruals, tax payables, bank borrowings and deferred tax liabilities.

## 5. OTHER INCOME/OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Other income</b>		
Refund of Value Added Tax ("VAT") (Note i)	54	1,010
Government grants (Note ii)	1,755	9,806
Bank interest income	15,080	15,389
Others	774	1,185
	<b>17,663</b>	<b>27,390</b>

# INTERIM FINANCIAL STATEMENTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Other gains and losses</b>		
Loss on disposal of property, plant and equipment	(92)	(4,173)
Written-off other payables	2,155	–
Net foreign exchange gain	3,270	4,367
Changes in fair values of investment properties	(14,739)	(21,120)
Expenses on land resumption	–	(1,567)
Loss on deregistration of subsidiaries (Note iii)	–	(30,764)
Donation	–	(236)
Net loss arising on financial assets measured at FVTPL	(63)	(177)
	<b>(9,469)</b>	<b>(53,670)</b>

Notes:

(i) Shanghai Simcom Limited ("Shanghai Simcom"), a subsidiary of the Company, is engaged in the business of distribution of self-developed and produced software and the development of automated test equipment and software. Under the current PRC tax regulation, it is entitled to a refund of VAT paid for sales of self-developed and produced software and the development of automated test software in the PRC.

(ii) During the current interim period, the amount includes HK\$1,116,000 (six months ended 30 June 2024: HK\$1,059,000) unconditional government grants received which was granted to encourage the Group's research and development activities in the PRC.

As at 30 June 2025, an amount of HK\$27,955,000 (31 December 2024: HK\$28,021,000) remained to be amortised and is included in other payables (for current portion) and deferred income (for non-current portion).

(iii) During the year ended 31 December 2024, Shanghai Wide-Top Financial Leasing Co., Ltd. and Guangdong Sim Technology Co., Limited, both of whom were wholly-owned subsidiaries of the Company in the PRC, were deregistered. A reclassification of cumulative translation reserve upon deregistration of amount of HK\$30,764,000 had been recognised to profit and loss.

# INTERIM FINANCIAL STATEMENTS

## 6. TAXATION

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Taxation comprises:		
PRC Enterprise Income Tax ("EIT")	(4,782)	3,154
Over (under) provision in prior years	3,030	(7,545)
	(1,752)	(4,391)
Deferred tax credit	3,685	5,161
Taxation for the period	1,933	770

No provision for Hong Kong Profits Tax has been made for both periods as the Group has no assessable profits arising in Hong Kong.

PRC EIT is calculated at the rates prevailing in the relevant districts of the PRC taking relevant tax incentives into account. Shanghai Simcom is classified as New and High Technology Enterprise and are entitled to adopt a tax rate of 15%. The relevant annual tax rate used for EIT for the Group's subsidiaries ranged from 15% to 25% (six months ended 30 June 2024: 15% to 25%).

Deferred tax charge represented taxable temporary differences associated with revaluation of equity instrument at FVTOCI and revaluation of investment properties and the deductible temporary differences that were previously recognised associated with write-down of inventories, trade receivables and impairment of property, plant and equipment. The directors considered the deductible temporary differences that were previously recognised to the extent that the amounts are no longer probable to be recovered and were reversed for both periods.

# INTERIM FINANCIAL STATEMENTS

## 7. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit (loss) for the period has been arrived at after charging (crediting) the following items:		
Amortisation of intangible assets (included in cost of sales and services)	719	1,018
Less: Amount capitalised in inventories	(719)	(1,018)
	-	-
Depreciation of property, plant and equipment	6,755	10,350
Less: Amount capitalised in inventories	(6,491)	(5,098)
	264	5,252
Depreciation of right-of-use assets	755	1,208
Staff costs including directors' emoluments	46,096	56,622
Less: Amount capitalised in inventories	(4,026)	(5,187)
	42,070	51,435
Costs of inventories recognised as an expense (included in cost of sales and services)	162,925	145,398

## 8. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).



# INTERIM FINANCIAL STATEMENTS

## 9. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Profit (loss)</b>		
Profit (loss) for the purposes of basic earnings (loss) per share	8,807	(82,257)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	2,143,351	2,142,207



## INTERIM FINANCIAL STATEMENTS

### 10. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

#### Investment properties

The fair value of the Group's investment properties at 30 June 2025 and 31 December 2024 were arrived at on the basis of a valuation carried out on that date by HG Appraisal & Consulting Limited, independent qualified professional valuer not related to the Group.

The fair value was determined based on the income capitalisation approach, where the market rentals of all lettable units of the properties were assessed and discounted at the market yield expected by investors for this type of properties. The market rentals were assessed based on estimates of future cash flows, supported by the terms of existing lease and the market rentals of the similar properties in the neighbourhood. The capitalisation rates were determined by reference to the yields derived from analysing the sales transactions of similar commercial and industrial properties in Shanghai and Shenyang adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties. There has been no change in the valuation technique used in prior years.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. At the end of the reporting period, the chief financial officer of the Group worked closely with the independent qualified professional valuer to establish and determine the appropriate valuation techniques and inputs. Where there was a material change in the fair value of the assets, the causes of the fluctuations would be reported to the management of the Group.

During the interim period, the Group transferred certain buildings from property, plant and equipment and right-of-use assets with aggregate carrying amount of HK\$748,000 (six months ended 30 June 2024: HK\$338,000) to investment properties because its use was changed as evidenced by the end of owner-occupation. The difference between the carrying amounts and the fair values of the relevant properties at the date of transfer amounted to HK\$20,206,000 (six months ended 30 June 2024: HK\$476,000) and was recognised in other comprehensive income.



## INTERIM FINANCIAL STATEMENTS

The fair value of investment properties as at 30 June 2025 was HK\$591,019,000 (31 December 2024: HK\$574,540,000) and a fair value loss of HK\$14,739,000 (six months ended 30 June 2024: fair value loss of HK\$21,120,000) have been recognised directly in profit or loss for the six months ended 30 June 2025.

### Property, plant and equipment

During the interim period, additions to the Group's property, plant and equipment amounted to HK\$2,876,000 (six months ended 30 June 2024: HK\$3,773,000).

During the interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$95,000 (six months ended 30 June 2024: HK\$5,332,000) for cash proceeds of HK\$3,000 (six months ended 30 June 2024: HK\$1,159,000), resulting in a loss on disposal of HK\$92,000 (six months ended 30 June 2024: HK\$4,173,000).

### Right-of-use assets

During the interim period, the Group entered into several new lease agreements for the use of office premises and warehouses with lease term ranged from two to three years. The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised right-of-use assets and lease liability amounted to HK\$1,364,000 (six months ended 30 June 2024: HK\$376,000).

### Intangible assets

During the interim period, additions to the Group's intangible assets amounted to HK\$875,000 (six months ended 30 June 2024: HK\$630,000).

# INTERIM FINANCIAL STATEMENTS

## 11. TRADE AND NOTES RECEIVABLES

The normal credit period given on sale of goods and services relating to handsets and IOT terminals business and automotive intelligent products business is 0 – 90 days. A longer period is granted to a few customers with whom the Group has a good business relationship and which are in sound financial condition.

The following is an aged analysis of trade receivables, net of allowance for credit losses, as well as notes receivables presented based on the invoice dates at the end of the reporting period, which approximated the revenue recognition dates:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables		
0 – 30 days	44,853	49,038
31 – 60 days	15,610	11,262
61 – 90 days	2,492	12,632
91 – 180 days	–	11,807
Over 180 days	26,114	27,028
	89,069	111,767
Less: Allowance for credit losses	(27,290)	(28,429)
	61,779	83,338
Notes receivables (Note)		
0 – 30 days	11,284	7,547
31 – 60 days	11,201	14,056
61 – 90 days	3,112	4,723
91 – 180 days	1,938	1,159
	27,535	27,485
Trade and notes receivables	89,314	110,823

Note: Notes receivables represent the promissory notes issued by banks received from the customers.

# INTERIM FINANCIAL STATEMENTS

## 12. REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<hr/>		
(Reversal of impairment losses) impairment losses recognised in respect of		
Trade receivables	(1,617)	(721)
Other receivables	(423)	65
Consideration receivables	(564)	(644)
	<hr/>	
	(2,604)	(1,300)
	<hr/>	

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

## 13. INVENTORIES

	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
<hr/>		
Raw materials	19,016	34,603
Work in progress	136	138
Finished goods	11,953	17,979
	<hr/>	
	31,105	52,720
	<hr/>	

# INTERIM FINANCIAL STATEMENTS

## 14. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 30 – 90 days.

The aged analysis of the Group's trade payables at the end of the reporting period presented based on the invoice dates for trade payables is as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
<b>Trade payables</b>		
0 – 30 days	43,139	53,712
31 – 60 days	1,868	7,093
61 – 90 days	–	15,198
Over 90 days	13,470	10,789
Trade payables	58,477	86,792

## 15. BANK BORROWINGS

The short-term bank borrowings are unsecured, interest bearing, at the China Loan Prime Rate ("LPR") plus 135 basis points per annum (31 December 2024: LPR plus 135 basis points per annum) and repayable within one year.

# INTERIM FINANCIAL STATEMENTS

## 16. SHARE CAPITAL

	Number of shares		Share capital	
	2025	2024	2025	2024
	'000	'000	HK\$'000	HK\$'000
<hr/>				
Ordinary shares of HK\$0.1 each				
Authorised:				
At 1 January and 30 June	3,000,000	3,000,000	300,000	300,000
	<hr/>		<hr/>	
Issued:				
At 1 January and 30 June	2,143,351	2,143,351	214,335	214,335
	<hr/>		<hr/>	

## 17. RELATED PARTY TRANSACTIONS

The amounts due from associates are unsecured, interest free with 30-60 days credit terms.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<hr/>		
Handset and IOT terminals business income from associates	–	2,320
	<hr/>	

# INTERIM FINANCIAL STATEMENTS

The remuneration of key management during the period was as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Short term benefits	2,379	2,630
Post-employment benefits	163	160
Other benefits	405	249
	<b>2,947</b>	<b>3,039</b>

## 18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



# INTERIM FINANCIAL STATEMENTS

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30 June 2025 HK\$'000	31 December 2024 HK\$'000				
<b>Financial assets</b>						
1. Equity instruments at FVTOCI	8,256	7,234	Level 3	Adjusted net assets approach – the book value of assets and liabilities of the investee are adjusted to their fair value.	Adjusted net asset value of the investee	An increase in the adjusted net assets, holding all other variables constant would increase the carrying amount.
– unlisted equity security (9.39% equity interest in a private entity Established in PRC)						
– unlisted equity security (14.97% equity interest in a private entity established in PRC)	30,033	29,564	Level 3	Adjusted net assets approach – the book value of assets and liabilities of the investee are adjusted to their fair value.	Adjusted net asset value of the investee	An increase in the adjusted net assets, holding all other variables constant would increase the carrying amount.
– unlisted equity security (2.20% equity interest in a private entity established in PRC)	31,937	34,928	Level 3	Adjusted net assets approach – the book value of assets and liabilities of the investee are adjusted to their fair value.	Adjusted net asset value of the investee	An increase in the adjusted net assets, holding all other variables constant would increase the carrying amount.
	70,226	71,726				
2. Financial assets at FVTPL	228	291	Level 1	Quoted bid prices in an active market.	N/A	N/A
– listed equity security						

# INTERIM FINANCIAL STATEMENTS

## Reconciliation of Level 3 fair value measurements

	Equity instruments at FVTOCI HK\$'000
As at 1 January 2024 (audited)	68,130
Total unrealised loss in other comprehensive income	(7,705)
As at 30 June 2024 (unaudited)	60,425
As at 1 January 2025 (audited)	71,726
Total unrealised loss in other comprehensive income	(2,722)
Exchange adjustment	1,222
As at 30 June 2025 (unaudited)	70,226

Included in other comprehensive income is an amount of HK\$2,722,000 fair value loss (six months ended 30 June 2024: HK\$7,705,000) relating to unlisted equity securities classified as equity instruments at FVTOCI held at the end of the current reporting period and is reported as changes of "assets revaluation reserve".

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated statement of financial position approximate their fair values.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) ("SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

#### Long position in the shares of the Company

Name of directors	Nature of interest	Total number of ordinary shares of the Company	Approximate percentage of interest in the Company (note 4)
Mr. Wong Cho Tung	Interest of controlled corporations (note 1)	1,209,084,000	56.41%
	Beneficial owner	20,814,000	0.98%
	Interests held jointly with another person (note 3)	3,098,000	0.14%
		<u>1,232,996,000</u>	<u>57.53%</u>
Ms. Yeung Man Ying	Interest of a controlled corporation (note 2)	734,857,000	34.29%
	Beneficial owner	21,136,000	0.99%
	Interests held jointly with another person (note 3)	3,098,000	0.14%
		<u>759,091,000</u>	<u>35.42%</u>
Mr. Zhu Qi	Beneficial owner	225,000	0.01%



## OTHER INFORMATION

### Notes:

1. Mr. Wong Cho Tung ("Mr. Wong") controls more than one-third of the voting power of Info Dynasty Group Limited ("Info Dynasty"). Mr. Wong is therefore deemed to be interested in all the 734,857,000 shares held by Info Dynasty in the Company by virtue of Part XV of the SFO. Mr. Wong is the sole director of Intellipower Investments Limited ("Intellipower") and Simcom Limited ("Simcom (BVI)") is wholly-owned by Mr. Wong. Therefore, Mr. Wong is deemed to be interested in all the 454,227,000 shares and 20,000,000 shares held by Intellipower and Simcom (BVI) respectively in the Company by virtue of Part XV of the SFO.
2. Ms. Yeung Man Ying ("Mrs. Wong"), the spouse of Mr. Wong, controls more than one-third of the voting power of Info Dynasty. Mrs. Wong is therefore deemed to be interested in all the 734,857,000 shares held by Info Dynasty in the Company by virtue of Part XV of the SFO.
3. The shares are held jointly by Mr. Wong and Mrs. Wong.
4. Calculation of percentage of interest in the Company is based on the issued share capital of 2,143,351,300 shares of the Company as at 30 June 2025.

As at 30 June 2025, save as disclosed above, none of the Directors, chief executive of the Company or their respective associates had any interests or short positions, whether beneficial or non-beneficial, in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 30 June 2025, the interests of the substantial Shareholders and other persons (other than Directors or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

#### Long position in the shares of the Company

Name of shareholder	Nature of interest	Total number of ordinary shares of the Company	Approximate percentage of interest in the Company (note 1)
Info Dynasty (note 2)	Beneficial owner	734,857,000	34.29%
Intellipower (note 3)	Beneficial owner	454,227,000	21.19%

Notes:

1. Calculation of percentage of interest in the Company is based on the issued share capital of 2,143,351,300 shares of the Company as at 30 June 2025.
2. The relationship between Info Dynasty and Mr. Wong and the relationship between Info Dynasty and Mrs. Wong are disclosed under the paragraph headed "Directors and Chief Executive's Interests and Short Position in Shares" above.
3. The relationship between Intellipower and Mr. Wong is disclosed under the paragraph headed "Directors and Chief Executive's Interests and Short Position in Shares" above.

Save as disclosed above, as at 30 June 2025, there is no other substantial Shareholders or persons (other than a Director or chief executive of the Company) had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under the section 336 of the SFO.



## OTHER INFORMATION

### SHARE OPTION SCHEME

The Company had adopted a share option scheme ("Share Option Scheme") on 1 June 2016, which shall remain in force until 1 June 2026, being 10 years after the date of its adoption.

No options have been granted by the Company under the Share Option Scheme since its adoption on 1 June 2016. As at 1 January 2025, 30 June 2025 and as at the date of this report, the number of options available for grant under the Share Option Scheme was 255,789,630 shares, which represent 11.93% of the issued shares of the Company as at the date of this report. No service provider sublimit has been authorised under the Share Option Scheme.

In view of the new requirements under Chapter 17 of the Listing Rules which became effective on 1 January 2023 ("New Share Scheme Rules"), share options shall only be granted under the Share Option Scheme in accordance with and as permitted by the New Share Scheme Rules.

No share option was granted, exercised, cancelled or lapsed under the Share Option Scheme during 1H-2025.

Save as disclosed above, at no time during 1H-2025 and at the end of 1H-2025 was the Company or any of its subsidiaries a party to any arrangements that would enable the Directors or the chief executive of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and save as disclosed in this report, none of the Directors, the chief executive of the Company, their respective spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during 1H-2025 and at the end of 1H-2025.

Save as disclosed above, the Group does not have any other share option scheme or share award scheme during 1H-2025.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During 1H-2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).



## OTHER INFORMATION

### CORPORATE GOVERNANCE CODE

According to code provision C.2.1 of the Corporate Governance Code ("Corporate Governance Code") as set out in Part 2 of Appendix C1 to the Listing Rules, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. On 30 September 2022, Mr. Gao Jun resigned as an executive Director and the chief executive officer of the Group ("CEO"). Ever since the resignation of Mr. Gao Jun, the Company has not been able to identify a suitable candidate for the position of the CEO and the office of the CEO therefore remains vacant. This constitutes a deviation from code provision C.2.1.

However, a management team which takes up the roles and duties of the CEO has been set up by the Group since Mr. Gao Jun's resignation. The team comprises five members, including three executive Directors, namely Mr. Wong Cho Tung, Mr. Zhu Wenhui and Mr. Zhu Qi, and two members of the management of the Company, namely Mr. Yang Hanjie (the chief marketing officer of the Group's operational headquarters in the PRC) and Mr. Yang Feng (the General Manager of the ODM Division of the Group's operational headquarters in the PRC). In light of the above, even though the Company has not been able to appoint an individual to take up the role of the CEO since Mr. Gao Jun's resignation, the Board considers that such a deviation from code provision C.2.1 of the Corporate Governance Code is appropriate under such circumstances.

Save as disclosed above, the Company has complied with the code provisions laid down in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules for 1H-2025.

### COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions. All Directors have confirmed, following specific enquiry by the Company with all Directors, that each of them has fully complied with the required standard as set out in the Model Code during 1H-2025.

### AUDIT COMMITTEE

The audit committee of the Board ("Audit Committee") has reviewed with the management the accounting principles and practice adopted by the Group and reviewed the unaudited condensed consolidated interim financial information of the Group for 1H-2025. In addition, the unaudited condensed consolidated interim financial information of the Group for 1H-2025 has been reviewed but not audited by our auditor, Messrs. Deloitte Touche Tohmatsu. The Audit Committee comprises all three independent non-executive Directors.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

*Executive Directors*

Mr. WONG Cho Tung (*Chairman*)

Ms. YEUNG Man Ying

Mr. ZHU Wenhui

Mr. ZHU Qi

*Non-executive Director*

Mr. WONG Hei, Simon

*Independent non-executive Directors*

Mr. LIU Hing Hung (*resigned as independent non-executive Director with effect from 25 January 2025*)

Ms. LAI Ka Fung May (*appointed as independent non-executive Director with effect from 25 January 2025*)

Mr. LI Minbo

Mr. YANG Wentao

### AUDIT COMMITTEE

Mr. LIU Hing Hung (*Chairman*) (*resigned as chairman of Audit Committee with effect from 25 January 2025*)

Ms. LAI Ka Fung May (*Chairman*) (*appointed as chairman of Audit Committee with effect from 25 January 2025*)

Mr. LI Minbo

Mr. YANG Wentao

### REMUNERATION COMMITTEE

Mr. LIU Hing Hung (*Chairman*) (*resigned as chairman of Remuneration Committee with effect from 25 January 2025*)

Ms. LAI Ka Fung May (*Chairman*) (*appointed as chairman of Remuneration Committee with effect from 25 January 2025*)

Mr. LI Minbo

Mr. YANG Wentao

Mr. WONG Cho Tung

### NOMINATION COMMITTEE

Mr. LIU Hing Hung (*Chairman*) (*resigned as chairman of Nomination Committee with effect from 25 January 2025*)

Ms. LAI Ka Fung May (*Chairman*) (*appointed as chairman of Nomination Committee with effect from 25 January 2025*)

Mr. LI Minbo

Mr. WONG Cho Tung

### COMPANY SECRETARY

Ms. CHAN Chi Yin

### AUDITORS

Certified Public Accountants

Registered public interest entity auditors

Deloitte Touche Tohmatsu

### LEGAL ADVISER AS TO HONG KONG LAWS

LCH Lawyers LLP





## CORPORATE INFORMATION

### PRINCIPAL BANKERS

Hang Seng Bank Limited  
Shanghai Pudong Development Bank

### BERMUDA REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### HONG KONG REGISTERED OFFICE

Unit 1206, 12th Floor  
Billion Trade Centre  
31 Hung To Road  
Kwun Tung  
Hong Kong

### SHANGHAI HEAD OFFICE

Block A, SIM Technology Building  
No. 633 Jinzhong Road  
Changning District  
Shanghai

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda)  
Limited  
Canon's Court  
22 Victoria Street  
PO Box HM 1179  
Hamilton HM EX  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services  
Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### WEBSITE ADDRESS

<http://www.sim.com>

### STOCK CODE

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