

For immediate release

SIM Technology Announces 2009 Interim Results Unit Shipment & Revenue of Full Handset Products Grew

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Ready to Capture Rising 3G Business Opportunities

Results Highlights

- Full handset products reported growth in unit shipment and revenue
 - Revenue amounted to HK\$1,139 million
 - Net profit was HK\$31 million
 - Strong net cash position with balances amounted to HK\$694 million
 - Interim dividend payment of HK0.8 cent per share
 - Poised to take advantage of 3G growth momentum in China
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(Hong Kong, 21 August 2009) – SIM Technology Group Limited (“SIM Technology” or the “Group”; SEHK stock code: 2000), a leading mobile handset and wireless communication module solutions developer in China, today announced its interim results for the six months ended 30 June 2009.

The overall performance of the Group for the review period was affected by the global financial crisis. With handset demand and average selling price of handset products decreasing, plus an acute shortage of supply of some key components, revenue of the Group declined by 24.5% year-on-year to HK\$1,139 million. Gross profit margin also narrowed to 8.8% and net profit was HK\$31 million, 74.7% lower than in the same period last year. Notwithstanding the weak market sentiment and keen competition in the industry, the Group managed to sustain growth in revenue and unit shipment of its full handset products especially in overseas market.

Basic earnings per share were HK2 cents, down by 75.3%. The Board of Directors has resolved to declare payment of an interim dividend of HK0.8 cent per share for the six months ended 30 June 2009.

As at 30 June 2009, the Group continued to maintain a strong financial position with net cash balances amounting to HK\$694 million.

Segment Results

<i>Unit shipped (thousand units)</i>	2009	2008
Mobile handset solutions	5,906	7,117
LCD modules	1,950	2,569
Wireless communication modules and modems	2,378	2,400

During the review period, revenue from the mobile handset solutions segment decreased by 18.1% to HK\$684 million. Having shifted its focus onto high-end mobile handsets for the domestic and international markets, the Group recorded an increase in unit shipment and revenue of full handset products by 73.0% and 67.5% respectively as compared with the same period last year. In addition, the Group continued to pursue new mobile handset design projects for the largest handset OEM in Japan during the period, covering 22 handset models that operate on TD-SCDMA, GSM and WCDMA-based technology.

For wireless communication modules and modems, it reported a 19.4% decrease in revenue to HK\$330 million, reflecting the keen competition in 3G modem pricing. However, the Group was able to grow its wireless module business alongside the industry. During the first half of 2009, the Group secured several TD-SCDMA module tenders and became one of the main TD-SCDMA module suppliers for China Mobile selected terminal OEMs.

As for LCD modules business, its revenue was down by 52.5% to HK\$125 million whereas gross profit margin was up slightly to 9.0%. The improved gross margin was mainly attributable to the increased sales of the touch-panel sub-module with a higher gross margin.

Moving forward, the Group believes the overall handset market is fundamentally healthy and stands well to benefit from the various favourable factors in China, such as the telecom industry reshuffle, the 3G network build-out plans and the government economic stimulus package aimed at encouraging domestic consumption. In particular, with a full range of 3G handset solutions meeting TD-SCDMA, CDMA2000/EVDO and WCDMA/HSDPA standards, SIM Technology is ready to capture opportunities rising in the China 3G market. Furthermore, it will fully apply its R&D capabilities and allocate more resources to develop high-end mobile handsets such as smart phone to meet the growing demand for internet access by mobile handset users in China.

To accelerate business growth, the Group will continue to focus on expanding handset design service as well as wireless module solutions and products to leading global handset OEMs and mobile operators. Emerging markets will continue to be a key growth driver of the international business of the Group.

Mr. Cho-Tung Wong, Executive Director of SIM Technology, said, "We have made it through several global economic crises in the past years with our financial and market position remaining strong. With expansion plans in place and adopting stringent cost control measures, we are confident of achieving better results in the future and ultimately maximize returns for our shareholders."

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About SIM Technology Group Limited

Listed on The Stock Exchange of Hong Kong Limited, SIM Technology Group Limited (stock code: 2000) is a leading developer of handset, wireless communication module and related application solutions in China. The Group and its subsidiaries offer multi-platform wireless communication terminal solutions, ranging from 2.5G, 3G to 3.5G. In the past few years, the Group has led the mobile phone and wireless communication module design industry in terms of revenue and profit. For more information, please visit www.sim.com.

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